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CONTENTS

INTERREGIONAL AFFAIRS

Rybkin Says CIS States May Return to Euro-Asian Union Idea *[ITAR-TASS]* 1
Kazakh, Kyrgyz, Uzbek Presidents Discuss Cooperation *[Tashkent Radio]* 1
Lithuania Gives Economic Statistics on Baltic Countries *[Vilnius Radio]* 1
ITAR-TASS Carries Press Review for 3 Jun 1

RUSSIA INTERNATIONAL AFFAIRS

Further on ROK President Kim's Visit 3
Yeltsin on DPRK Treaty *[ITAR-TASS]* 3
Seoul Reports Treaty Nonrenewal *[Seoul YONHAP]* 3
Joint Declaration on Relations Issued *[ITAR-TASS]* 3
Further on Joint Declaration *[ITAR-TASS]* 4
Kim Predicts 'Bright Future' *[ITAR-TASS]* 4
Yeltsin on Nonproliferation *[ITAR-TASS]* 5
Kim on Peace in Asia *[ITAR-TASS]* 5
Kim on Assistance to DPRK *[ITAR-TASS]* 6
Further on DPRK Nuclear Issue *[Seoul YONHAP]* 6
Yeltsin, Kim Answer Questions *[ITAR-TASS]* 6
Yeltsin-Kim News Conference *[Moscow TV]* 7
Kim Says Yeltsin To Visit ROK *[Seoul YONHAP]* 8
Kim Meets State Duma Chairman Rybkin *[ITAR-TASS]* 9
Gas Agreement Signed *[Seoul YONHAP]* 9
Lukin Says Russia Should Pressure DPRK on NPT Issue *[ITAR-TASS]* 9
Chinese Air Force General Begins 10-day Visit *[ITAR-TASS]* 10
Kokoshin Promotes Military Cooperation With China *[Russian TV]* 10
Chinese Bank To Grant $10 Million Credit to Banks *[INTERFAX]* 10
PRC Foreign Ministry Denial on Russian Defense Experts *[ITAR-TASS]* 11
Bosnian Serb Leader Karadzic To Visit Moscow 8-12 Jun *[ITAR-TASS]* 11
Karadzic Interview on Bosnia Truce Talks *[ITAR-TASS]* 11
Further on Greek Foreign Minister's Visit 12
Meets With Yeltsin *[ITAR-TASS]* 12
Arrives in Murmansk *[ITAR-TASS]* 12
'Total Mutual Understanding' Marks Visit *[KOMSOMOLSKAYA PRAVDA 2 Jun]* 12
Lukin Says Russia Ready for Agreement With EU *[ITAR-TASS]* 12
D-Day Celebrations Raise Tricky Questions for Clinton *[IZVESTIYA 3 Jun]* 13
Abkhazia Peacemakers' Chances of Success Assessed *[TRUD 2 Jun]* 14
Visa To Transit Lithuania Required *[NEVSKOYE VREMYA 1 Jun]* 14

RUSSIA NATIONAL AFFAIRS

Political Issues

Ponomarev Forms Democratic Russia Party *[ITAR-TASS]* 16
People's Party Leader: 'Civil Peace' Sustainable *[ROSSIYSKIYE VESTI 28 May]* 16
Russia Searching for Solutions on Republic Sovereignty *[ROSSIYSKIYE VESTI 2 Jun]* 16
Yeltsin Edict Declares 12 Jun National Holiday *[ITAR-TASS]* 17
Duma Member Shot at Home, in Critical Condition *[INTERFAX]* 17

Economic Issues

Budget Debate Shows 'Grounds for Concern' *[ROSSIYSKIYE VESTI 1 Jun]* 17
Yeltsin Signs Edict on Sale of State Enterprises *[ITAR-TASS]* 19

Chernomyrdin, Regional Officials Discuss Privatization *[ROSSIYSKIYE VESTI 1 Jun]* 19
Luzhkov Views Privatization as Widespread Failure *[ITAR-TASS]* 20
Chubays Sues Luzhkov Over Privatization Law Breaches *[KOMMERSANT-DAILY 2 Jun]* 20
Russia Denies Intent To Veto Caspian Oil Development *[INTERFAX]* 21
Gerashchenko Promises Wider Access for Foreign Banks *[IZVESTIYA 2 Jun]* 21
Number of Strikes Rise Tenfold From 1993 *[NEZAVISIMAYA GAZETA 2 Jun]* 22

Military & Nuclear Issues

Upper House Approves 55-Trillion-Ruble Defense Budget *[INTERFAX]* 22
Admiral: Experts Assessing Black Sea Navy *[ITAR-TASS]* 23
Treasury Says Order on Officer Housing Unfundable *[KOMSOMOLSKAYA PRAVDA 2 Jun]* 23
New Nuclear Submarine Begins Static Tests *[KRASNAYA ZVEZDA 28 May]* 23
Production of TU-160 Strategic Aircraft Discontinued *[Moscow TV]* 23
Nuclear-Powered Ships Continue To Be Needed *[KRASNAYA ZVEZDA 28 May]* 23
Air Defense Anti-Terrorist Role Viewed *[KRASNAYA ZVEZDA 1 Jun]* 25
Policy on Handling Spent Nuclear Fuel Explained *[TRUD 28 May]* 26

Federal Assembly

Federation Council Holds Debate on Russian Budget *[ITAR-TASS]* 27
Defense Spending Increased to R55 Trillion *[ITAR-TASS]* 27
Federation Council Approves Key Budget Figures *[ITAR-TASS]* 27
Federation Council Rejects Sending Troops to Abkhazia *[ITAR-TASS]* 27

Regional Affairs

Russia Denies Planned Nuclear Explosion in Chechnya *[ITAR-TASS]* 28
Dudayev Hopes For Success of Moscow Talks *[Moscow TV]* 28
'Khasbulatov Factor' Prompts Chechnya Push *[IZVESTIYA 31 May]* 28
Ossetia Edict Seen as Ploy for Talks With Dudayev
[NOVAYA YEZHEDNEVNAYA GAZETA 3 Jun] 29
Ossetia-Ingushetia Emergency Zone Redefined *[ROSSIYSKAYA GAZETA 1 Jun]* 30
Tatarstan President Praises Yeltsin's Visit *[ITAR-TASS]* 31
Tatarstan Takes Measures To Stabilize Economy *[ITAR-TASS]* 32
Yeltsin Tatarstan Visit Draws Negative Comment *[SEGODNYA 3 Jun]* 32
Khabarovsk Forum Views Accord Treaty Implementation *[ROSSIYSKAYA GAZETA 2 Jun]* 33
Transbaykal Miners Start Three-Day Strike *[TRUD 2 Jun]* 33
Moscow Tax Levies on Newcomers Explained *[ROSSIYSKIYE VESTI 28 May]* 33
Novosibirsk Oblast Procurator Interviewed *[VECHERNIY NOVOSIBIRSK 30 May]* 34
Decree on Novosibirsk Oblast Housing Construction *[SOVETSKAYA SIBIR 26 May]* 35

UKRAINE

International Affairs

Britain Supports Ukraine in Crimea Dispute *[ITAR-TASS]* 36
Kravchuk on Future Relations With Russia *[ITAR-TASS]* 36
Association Protests Russian Cossacks in Crimea *[UNIAN]* 36
Russian-Ukrainian Naval Talks Under Way in Sevastopol *[INTERFAX]* 37
Russian Navy Commander on Efforts To Divide Fleet *[Kiev International]* 37
Negotiations on Gas Debts to Russia Resume 3 Jun *[UNIAN]* 37

National Affairs

Kravchuk Addresses Supreme Council on Crimea *[Kiev International]* 38
Assures No Use of Force in Crimea *[Kiev International]* 42
Crimean Supreme Council Rejects Presidential Rule *[ITAR-TASS]* 42
Crimean Supreme Council Rejects More Power for Meshkov *[INTERFAX]* 43
No Backing From Parliament on Direct Rule in Crimea *[INTERFAX]* 43
Lvov 'Active Vacationers' Leave 'To Defend' Crimea *[UNIAN]* 43

Paratroopers Airlifted to Crimea *[ITAR-TASS]* 44
Kravchuk Calls for Court To Revoke Crimean Decisions *[IZVESTIYA 2 Jun]* 44
Official Rejects Use of Force in Crimea *[ITAR-TASS]* 44
Crimean Deputies Applaud Speeches by Ukrainian Delegation *[Kiev International]* 45
1992 Crimean Constitution Still Not in Force *[INTERFAX]* 45
CSCE High Commissioner for Minorities Meets Crimean Tatars *[UNIAN]* 45
Acting Premier Calls for Action Against Mafiosi *[ITAR-TASS]* 46
Short Circuit at AES Causes False Alarm *[DEMOKRATYCHNA UKRAYINA 2 Jun]* 46
Resolution Against Postponing Election Supported by 201 *[UNIAN]* 46
Kravchuk Proposes Prime Ministerial Candidates *[UNIAN]* 46
Presidential Hopeful Kuchma Outlines Views *[ROSSIYSKAYA GAZETA 31 May]* 47
Communist Faction Issues Statement on Reformers *[HOLOS UKRAYINY 27 May]* 48
Plyushch Calls for Tough Economic Measures *[ITAR-TASS]* 49
Sevastopol Official Against Dual Stationing of Fleet *[UNIAN]* 49
Kravchuk Signs Decree on Credit Emission for Agriculture *[UNIAR]* 50
Survey Shows Population in Decline *[UNIAR]* 50

WESTERN REGION

Belarus

Embassy Asks U.S. To Confirm Missile Aiming *[Minsk Radio]* 51
Authorities Seen Clamping Down on Independent Media
[MOSKOVSKIYE NOVOSTI 29 May-5 Jun] 51
Election Campaign Officially Under Way *[INTERFAX]* 51
Kebich at Top of Political Popularity Chart *[INTERFAX]* 52
Communist Candidate Calls for Halt of Privatization *[BELAPAN]* 52
Budget Report for 1993 Submitted to Government
[Belarus Foreign Ministry Department of Information] 53

Moldova

Turkey's Demirel Visits Gagauz Districts *[ITAR-TASS]* 53
Comments on UN Report, Visit *[Ankara TV]* 53
Cetin Calls UN Report Unfair *[Ankara TV]* 54
Russian Influence Seen Crucial in Dniester Talks *[KRASNAYA ZVEZDA 2 Jun]* 54
Dniester Complains of Pressure From Moscow, Chisinau *[ITAR-TASS]* 55
Grigore Eremei Appointed Ambassador to Romania *[Bucharest Radio]* 55

CENTRAL ASIA

Kazakhstan

Nazarbayev To Intervene in Government-Parliament Dispute *[INTERFAX]* 56
Supreme Council Appoints Ambassador to Tajikistan *[Almaty Radio]* 56
Minister on Crisis in Education, Need for Reform *[KAZTAG]* 56
Efforts to Combat Drug Smuggling *[KAZTAG]* 57
Pollution, Ecological Problems Deteriorate in Almaty *[KAZTAG]* 57

Kyrgyzstan

Commission Formed To Help Bankrupt Workers *[Bishkek Radio]* 57
Administrative Changes Made in Naryn, Chu Oblasts *[Bishkek Radio]* 58
New Post in Bishkek Administration *[Bishkek Radio]* 58

Tajikistan

Russian Officer Warns Against Anti-Russian Actions *[ITAR-TASS]* 58
Defense Ministry Staff Officers Murdered in Dushanbe *[ITAR-TASS]* 58
Fifth Russian Serviceman Killed This Week *[ITAR-TASS]* 58
Russian Border Guards Kill Cross-Border Invaders *[ITAR-TASS]* 58

Opposition Militants Killed in 'Major' Operation *[ITAR-TASS]* 59
Interior Ministry To Investigate Murder of Officer *[ITAR-TASS]* 59
Commission Formed To Determine Tajik-Uzbek Border *[Dushanbe Radio]* 59
First Deputy Defense Minister Dismissed *[Dushanbe Radio]* 59
Banks Not Selling Rubles Due to Lack of Supplies *[Dushanbe Radio]* 59

CAUCASUS

Armenia

Situation Remains 'Tense', Cease-Fire Violations Reported *[Yerevan Radio]* 60
Nakhichevan Commander Denies Armenian Attack *[Yerevan Radio]* 60
Official 'Content' With CIS Peacekeepers Entering Conflict *[SNARK]* 60
Vice President Leaves for United States *[SNARK]* 60
Senior Prosecutor Escapes Assassination Attempt *[ITAR-TASS]* 60

Georgia

Abkhazia Welcomes Upcoming Arrival of CIS Peacemakers *[ITAR-TASS]* 61
Shevardnadze Meets London Borough Council Delegation *[Tbilisi Radio]* 61

BALTIC STATES

Estonia

Russia Asked To Present Troop Withdrawal Schedule *[BNS]* 62
Parliament Suspends Discussion on Russian Ties *[BNS]* 62
Keeping Troops in Estonia 'Disadvantageous' to Russia *[BNS]* 63
Troop Withdrawal Accord 'Harmful' to Estonia *[BNS]* 63
President of CE Parliamentary Assembly Visits *[BNS]* 63
Defense Forces Commander Submits Resignation *[BNS]* 64
Einseln's Resignation Rejected *[ETA]* 65
Misinformation Charged on Defense Plan With Israel *[BNS]* 65
Laar Meets With Japan Trade Delegation *[BNS]* 65
New Justice Minister Appointed *[BNS]* 65
Soros Meets With Laar, Holds News Conference *[BNS]* 66

Estonia

Russia Asked To Present Troop Withdrawal Schedule *[BNS]* 67
Parliament Suspends Discussion on Russian Ties *[BNS]* 67
Keeping Troops in Estonia 'Disadvantageous' to Russia *[BNS]* 68
Troop Withdrawal Accord 'Harmful' to Estonia *[BNS]* 68
President of CE Parliamentary Assembly Visits *[BNS]* 68
Defense Forces Commander Submits Resignation *[BNS]* 69
Einseln's Resignation Rejected *[ETA]* 70
Misinformation Charged on Defense Plan With Israel *[BNS]* 70
Laar Meets With Japan Trade Delegation *[BNS]* 70
New Justice Minister Appointed *[BNS]* 70
Soros Meets With Laar, Holds News Conference *[BNS]* 71

Latvia

Economic Accords Likely at Conclusion of Russian Talks *[Riga Radio]* 71
Russia's Most Favored Trade Agreement Temporary *[BNS]* 71
Daugavpils Council Protests to Russian Army *[Riga Radio]* 72
Russia To Be Paid $23 Million for Natural Gas *[BNS]* 72
Latvia Seeks To Acquire Abrene Territory From Russia *[Riga Radio]* 72
Free Trade Agreement With EU Effective Jan 1995 *[INTERFAX]* 72
Deputies Comment on Foreign Minister's Confidence Vote *[BNS]* 72
Foreign Minister To Continue Duties *[Riga Radio]* 73

Parliament Confirms Mandate of Imprisoned Rubiks *[INTERFAX]* 73
Jobless Rate of 6.6 Percent Reported *[BNS]* 73
Riga Local Election Results Confirmed *[Riga Radio]* 73

Lithuania

Brazauskas Calls for More Western Aid to Ukraine *[INTERFAX]* 74
EU President Ends Visit, Holds News Conference *[BNS]* 74
Department To Represent Vilnius at NATO Formed *[Vilnius Radio]* 74
Premier To Announce Government Resignation 'Next Week' *[INTERFAX]* 74
Finance Ministry Hopes VAT To Balance Budget *[Vilnius Radio]* 75

Rybkin Says CIS States May Return to Euro-Asian Union Idea

LD0206104894 Moscow ITAR-TASS in English 1011 GMT 2 Jun 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow June 2 TASS—"The time will come when our two countries will again return to the Euro-Asian union idea, first suggested by Kazakhstan President Nursultan Nazarbayev, notwithstanding the fact that some CIS members are not prepared so far to join such a union, State Duma Speaker Ivan Rybkin said here on Thursday during a meeting with Kazakhstan Foreign Minister Kanat Saudabayev.

"However, it may so happen that by that time the legislations of our states will become so different from one another that a good deal of effort would have to be made to bring them closer together again," Rybkin said.

In view of this, "it is essential to seek cooperation in the lawmaking process within the CIS framework so that the legislations of our states would be adequate to one another as much is possible", pointed out the speaker of the lower house of the Russian parliament.

Kazakh, Kyrgyz, Uzbek Presidents Discuss Cooperation

LD0306084794 Tashkent Radio Tashkent Network in Uzbek 0730 GMT 3 Jun 94

[Text] The presidents of the three republics in Central Asia, Uzbekistan, Kazakhstan, and Kyrgyzstan will hold a [words indistinct] During the summit, questions on economic cooperation will be examined. Bolat Ahmadgaliyev, from the Kazakh president's office, spoke about this to journalists. It is known that after the breakdown of the former [Soviet] Union the leaders of the Central Asian republics took a number of steps to begin cooperation in the economic field and in many other fields. The difficulties of transferring to a market economy, leaving the problems of monetary unity in the republics untackled, the breakdown of economic ties, and other reasons hindered the process of economic cooperation between the Central Asian republics from fully forging ahead.

The situation has now changed. The problems in the process of development are now clear. If Uzbekistan is to introduce its own national currency in July then another possibility will be found. The cooperation now taking shape between the republics of Uzbekistan, Kazakhstan, and Kyrgyzstan must be expanded. The meetings between the leaders of the three republics have started to show results, particularly in the economic field.

At their scheduled summit meeting the presidents of the three countries will examine the possibilities of expanding cooperation in the agro-industrial field and providing for capital and labor forces.

Lithuania Gives Economic Statistics on Baltic Countries

LD0206194494 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 2 Jun 94

[Text] The statistical department attached to the Lithuanian Government has announced some information about the situation in all three Baltic countries.

It stated that the lowest inflation in April was in Lithuania—1.6 percent—and the highest in Estonia—3.1 percent; inflation in Latvia was 2.7 percent. But throughout the whole of last year, from April 1993 to April 1994, the lowest inflation was in Latvia—37.4 percent—and the highest in Lithuania—78.5 percent.

Fewer industrial products were sold in April than in March in all three states: in Lithuania, 17 percent less, in Latvia, 15.9 percent less, and in Estonia—14.3 percent less.

Between April 1993 and April 1994, industrial output declined in Lithuania by 43.6 percent, and in Latvia by 18.8 percent; there is no information about this from Estonia, ELTA [Lithuanian News Agency] reports.

The highest unemployment in April was in Latvia—6.6 percent; unemployment in Lithuania was 3.6 percent, and in Estonia 2.3 percent.

ITAR-TASS Carries Press Review for 3 Jun

LD0306055294 Moscow ITAR-TASS in English 0427 GMT 3 Jun 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow June 3 TASS—ROSSIYSKIYE VESTI, referring to reliable sources, report an intention of the Russian government to raise the minimum wage index by 40 percent from July 1. Minimum wage will thus grow from 14,620 to 20,500 roubles. The same indexation coefficient will be applied to the recalculation of wages in the budget-supported branches of the economy.

ROSSIYSKIYE VESTI reports a statement by Russian Vice-Premier Yuriy Yarov that mass unemployment in the country threatens with such a social outburst in comparison with which "the consequences of hyperinflation would pale into insignificance". If ways to resolve the problem are not found now, "the situation will run out of control soon," he maintains.

RABOCHAYA TRIBUNA carries a series of articles about a Bogychany hydropower station which has been under construction on Angara River since 1976. It follows from an article by First Vice-Premier Oleg Soskovets that the hydropower station will be a highly effective one because it will operate at the place of the Angara discharge regulated by Lake Baykal and Bratsk man-made lake and will make it possible to effect a saving of more than 5.5 tonnes of scarce organic fuel

every year. It is essential to take all measures to bring the station into operation in 1997, Soskovets writes.

TRUD runs an article by Sergey Tsvetkov, chairman of the ecological commission of the writers' union of St. Petersburg, who urges a cancellation of the Russian governemnt instruction to build transportation technology facilities in the gulf of Finland. Tsvetkov maintains that an expert conlusion simply baffles one with contradictions. "Of course, the development of Russia is impossible without harbours, but at what price will they be created? And who can prove what will be cheaper—to transport goods via the Baltics or our own ports?" the article points out.

KRASNAYA ZVEZDA (RED STAR) points out the need to complete the construction of a nuclear-powered guided missle cruiser Peter the Great. "We need the Peter the Great cruiser to speak to the United States, which regards its Navy as 'the only one dominating the world ocean', on a par, and to prevent a final collapse of the Russian Federation's shipbuilding industry. The cruiser should be commissioned without fail by the tercentenary of the Russian Navy," the newspaper emphasises.

The press highlights South Korean President Kim Young-Sam's visit to Moscow. NEZAVISIMAYA GAZETA reports the visit under the headlines "The Kremlin Is Prepared To Support Sanctions Against the DPRK" and "Russia Needs a United and Non-Nuclear Korea".

Touching upon President Boris Yeltsin's meeting with his South Korean counterpart, the newspaper writes: "The fact that Seoul needed such a meeting not less but even more than Moscow was confired by the two presidents' talks and by the ensuing joint press conference in the Kremlin. South Korea in principle received what it wanted from Russia. Notwithstanding tentative reservations, Boris Nikolayevich in the end uttered the word 'sanctions' (against North Korea)".

NEZAVISIMAYA GAZETA carries an interview with Yevgeniy Kozhokin, director of the Russian Institute for Strategic Studies, who calls for refraining from intellectual extremism. Pointing out that the task of the institute is to participate in the elaboration of Russia's national security concept, Kozhokin examines whether it is worthwhile for Russia to join NATO's Partnership for Peace programme, "it seems to me that we shall be able to uphold our national interests more effectively by accepting, not rejecting, this partnership".

PRAVDA runs an article by Viktor Veshnyakov, a deputy to the State Duma, who opposes Russia's joining NATO's Partnership for Peace programme. This kind of ideas, he believes, "erode the collective security treaty which CIS countries concluded in 1992". Veshnyakov favours the establishment of an effective defence union within the CIS framework as "the military basis of a Euro-Asian collective security system". He calls for Russia to hold arms reduction talks with NATO precisely from these positions.

PRAVDA carries an article by Gennadiy Zyuganov, a State Duma member and chairaman of the central executive committee of the Russian Communist Party, who urges "the restoration of genuine government by the people as represented by a single system of councils of people's deputies".

KOMSOMOLSKAYA PRAVDA, referring to information from a general staff officer, reports the existence of "a huge underground town near Moscow, with several thousand civilians and military people working there every day—state security, interior ministry, and army people. The subterranean town is tens of meters below ground, sometimes to a depth equalling to a 10-15 storey building sometimes. If necessary it is possible to get by special trains to practically any point of the capital."

Further on ROK President Kim's Visit

Yeltsin on DPRK Treaty

LD0206134494 Moscow ITAR-TASS in English 1324 GMT 2 Jun 94

[By ITAR-TASS diplomatic correspondent Aleksandr Kopnov]

[Text] Moscow June 2 TASS—In two years' time, Russia, by all appearances, will not prolong the treaty of friendship, cooperation and mutual help signed by the former USSR and People's Democratic Republic of Korea in 1961 for another five years, a high-ranking official quoted Russian President Boris Yeltsin as saying at a meeting with South Korean President Kim Yong-sam.

In accordance with generally recognized norms, the treaty may be denounced at one year's notice, the source quoted Yeltsin as saying.

The treaty does exist so far. However, Russia interprets its first article, which provides for offering North Korea military help automatically, if a war breaks out in the Korean peninsula, in a somewhat different way. This provision is actually ineffective, Yeltsin said.

Seoul Reports Treaty Nonrenewal

SK0306090494 Seoul YONHAP in English 0808 GMT 3 Jun 94

[Text] Moscow, June 3 (YONHAP)—President Boris Yeltsin has promised that Moscow will not conclude any pacts of alliance with Pyongyang after the Russia-North Korea Friendship, Cooperation and Mutual Assistance Treaty expires in two years, South Korean President Kim Yong-sam said Friday.

Kim disclosed Yeltsin's pledge during a breakfast meeting with South Korean correspondents stationed in the Russian capital.

Yeltsin made it clear that Moscow will neither renew the current treaty nor conclude any others of similar nature, Kim said.

The Russia-North Korea treaty, which has been the ground for relations between the two countries, was concluded in 1961 and is due to expire at the end of 1996. It will be extended automatically for another five years unless either side abrogates it.

The core part of this treaty, which calls for automatic military intervention by Russia in case of war in Korea, has practically become "a dead letter," Kim explained.

With regard to possible sanctions against North Korea, Yeltsin told him that Russia intends to participate when they have become inevitable after the U.N. Security Council took necessary steps, including repeated issuance of warnings, Kim said.

Kim said he was informed of "a top secret" by the Russian side in connection with problems related to North Korea's development of nuclear weapons, but he could not disclose it at this stage.

The president said Yeltsin also promised to make a decision so that Russia would not sell any weapons or parts to North Korea under any circumstances.

Commenting on the North Korean lumberjacks fleeing from Pyongyang-run Siberian logging camps, Kim said he and Yeltsin agreed that Seoul could bring as many to South Korea as it wishes.

Kim said the Seoul government plans to bring home all Koreans living in Sakhalin if they so desire.

On the shooting down of the Korean Air (KAL) 007 jetliner by a Soviet fighter plane in 1983, Kim noted that Yeltsin said the responsibility lies with the airline. This is the basic official Russian position, Kim said.

But he said the two countries will hold working-level meetings to discuss the problem of compensating the victims' families.

As for the development of gas fields in the Russian Far East, Kim said South Korea and Russia will invest 10 million U.S. dollars each to undertake a feasibility study.

Joint Declaration on Relations Issued

LD0206131494 Moscow ITAR-TASS in English 1216 GMT 2 Jun 94

[By ITAR-TASS diplomatic correspondents Nikolay Geronin and Vladimir Solntsev]

[Text] Moscow June 2 TASS—President Boris Yeltsin of Russia and President Kim Yong-sam proclaimed that "relations between the Russian Federation and the Republic of Korea develop into a constructive mutually complementary partnership based on the common values of freedom, democracy, legality, respect for human rights and a market economy," said a joint Russo-South Korean joint declaration which the two presidents signed at the close of summit talks held in the Kremlin on Thursday.

The two presidents agreed that success of political and economic reforms in Russia would be a substantial factor of peace and prosperity in the world as a whole and stability in Northeast Asia and the Pacific Ocean area, in particular", the declaration said. Mr. Kim assured Boris Yeltsin of South Korea's "cooperation and support for reforms which are being effected in Russia".

The leaders of the two countries decided to give a boost to political dialogue at various levels, including meetings between the heads of state and government, parliamentary leaders and cabinet ministers. They agreed to establish a "hot line" between the Kremlin in Moscow and the Blue House in Seoul to maintain close contacts between the heads of two states.

The two sides agreed to make joint efforts to combine Russia's high technologies with the introduction and industrial resources of the Republic of Korea and encourage investments in co-development of the natural resources of the Russian Federation. They came out in support of direct business contacts between the Russian Far East and the Republic of Korea.

The two presidents were gratified to note a steady growth of bilateral trade and agreed to further efforts to strengthen legal and organisational principles in such spheres as transport, customs, and industrial standards to promote bilateral trade and investments.

Boris Yeltsin and Mr. Kim agreed on close cooperation between the two states in tackling global issues. They highly appreciated possibilities for dynamic growth in the Asia-Pacific region and agreed to join hands to make it a region of peace and prosperity.

Mr. Kim welcomed Russia's aspiration actively and constructively participate in all areas of Pacific Rim cooperation and pointed out that the Republic of Korea would positivly consider Russia's candidacy for Asia-Pacific Economic Cooperation (APEC) forum membership.

The two presidents "called on the Democratic People's Republic of Korea as a party to the Treaty on Non-Proliferation of Nuclear Weapons strictly and consistently fulfil its obligations under the treaty and as regards inspection under the safeguards agreement with the International Atomic Energy Agency.

Boris Yeltsin, the declaration said, "reaffirmed that Russia, alongside other states, will continue actively to participate in the international community efforts to ensure denuclearisation of the Korean Peninsula".

President Kim Yong-sam, for his part, "gave a high appraisal of Russia's proposal to convene a multilateral conference on security and non-nuclear status of the Korean Peninsula."

The two leaders agreed that "any attempt to produce nuclear weapons on the Korean Peninsula poses a serious threat to peace and security not only in Korea but in Northeast Asia and and the whole world as well". They agreed to hold bilateral consultations on matters of security in Northeast Asia.

The two presidents "pointed out the need for a continuation of the dialogue between South and North Korea to ease tension, to strenthen peace, security and stability, and agreed that the unification of Korea should be achieved in a peaceful and democratic way, through a direct dialogue between the two sides."

Further on Joint Declaration

LD0206094194 Moscow ITAR-TASS World Service in Russian 0905 GMT 2 Jun 94

[By ITAR-TASS diplomatic correspondents Nikolay Geronin and Vladimir Solntsev]

[Text] Moscow, 2 Jun—Russian President Boris Yeltsin and ROK President Kim Yong-sam "call upon the DPRK, as a signatory of the Nuclear Non-Proliferation Treaty, to strictly and consistently fulfil its commitments" under that document, and with regard to inspections under the verification agreement with the IAEA. This is stated in a Joint Russo-Korean declaration, which the leaders of the two countries signed at the end of today's summit talks in the Kremlin.

Boris Yeltsin, the declaration says, "confirms that Russia, alongside other states, will in future also take an active part in the efforts of the international community to ensure the denuclearization of the Korean Peninsula."

President Kim Yong-sam, the document points out, "highly appraises Russia's proposal on convening a multilateral conference on security and the nuclear-free status of the Korean Peninsula."

The two leaders agree that "any attempt to manufacture nuclear weaponry on the Korean Peninsula poses a serious threat to peace and security, not only in Korea, but also in Northeast Asia and throughout the world."

Kim Predicts 'Bright Future'

LD0206185294 Moscow ITAR-TASS in English 1749 GMT 2 Jun 94

[By ITAR-TASS correspondent Vladimir Solntsev]

[Text] Moscow June 2 TASS—Korean President Kim Yong-sam said on Thursday he is quite convinced that "a very bright future lies ahead of us" in Russo-Korean relations.

Speaking at a dinner hosted by President Yeltsin, Kim Yong-sam noted that "we will surely share a great future together if the advanced technology and vast natural resources of the Russian Federation are combined with the industrial development and business management expertise of Korea."

Kim Yong-sam expressed confidence that "great friendship and trust" shared by the two presidents, despite their relatively brief association, will "serve as a strong catalyst for further developing relations between our two nations."

The president said he hopes that "the Russian Federation will actively participate in the Asia-Pacific economic cooperation forum."

According to him, documents concerning the Korean war of 1950- 1953 which were handed today to the Korean president by Boris Yeltsin "will stand as a

symbol of our firm determination to make a fresh start in our relations, putting behind us our unfortunate past relations during the era of Cold War."

Kim Yong-sam expressed gratitude to the Government of the Russian Federation for "its positive participation in the international movement to block the development of nuclear arms by North Korea."

Yeltsin on Nonproliferation

LD0206164894 Moscow ITAR-TASS World Service in Russian 1540 GMT 2 Jun 94

[By ITAR-TASS diplomatic correspondents Nikolay Geronin and Aleksandr Kopnov]

[Text] Moscow, 2 Jun—Russia will firmly uphold the international nuclear nonproliferation regime, Russian President Boris Yeltsin announced today at a state reception in the Faceted Hall of the Grand Kremlin Palace in honor of South Korean President Kim Yong-sam. One of the primary goals of this is to guarantee a nonnuclear status for the Korean peninsula, the Russian head of state stressed.

Yeltsin recalled that Russia has proposed an international conference on this issue, which could find a comprehensive solution to the nuclear issue, and in particular, bring about specific agreements making it possible to reduce and subsequently remove the dangerous confrontation on the Korean peninsula. The main aim is to begin a movement toward trust and cooperation.

Moscow is ready to play and will play an active part in creating international mechanisms aimed at strengthening a climate of trust, security, and cooperation in relations between the states of the Asia-Pacific region, the Russian president said.

Yeltsin expressed confidence that close interaction between Russia and the Republic of Korea would help to strengthen stability in the Asia-Pacific region. In his words, relations with Seoul are one of Moscow's top priorities in the Asia-Pacific sphere.

Russia, the Russian president pointed out, has historically been deeply involved in the affairs of the Korean peninsula. In July it will be 110 years since the establishment of relations between Russia and Korea. Ties are developing well at the present time too. But there is a need to move on and give the "green light" to all cooperation projects in all spheres of life. This applies first and foremost to the economic sphere, the more so since opportunities and reserves do exist for this.

Russia wants the speediest possible reunification of Korea by peaceful democratic means, Yeltsin said. One of the most dangerous threats in Asia and throughout the world will thereby be eliminated. We want to see Korea as a unified, peace-loving, democratic, nuclear-free, and prosperous state and a reliable partner of Russia, the president pointed out. I believe that the way to achieve this will be found by the Koreans themselves. Russia is ready to facilitate the accomplishment of the Korean people's cherished goal of unification as soon as possible.

Kim on Peace in Asia

LD0206145194 Moscow ITAR-TASS in English 1420 GMT 2 Jun 94

[By ITAR-TASS correspondent Vladimir Solntsev]

[Text] Moscow June 2 TASS—Korean President Kim Yong-sam said on Thursday that "it will be impossible to preserve peace in northeast Asia without Russian cooperation". The president, who is now on a state visit to Russia, was addressing the Federation Council (the upper chamber of the Russian parliament).

Kim Yong-sam noted that "the cooperation of the leaders of the Russian administration and parliament to forge a new era of regional peace will also help promote peace throughout the world".

The president said that through an extensive dialogue with President Yeltsin this morning he was convinced that Korea and Russia could be "trusted partners in quest of greater shared prosperity well into the 21st century".

According to the president, both states should cooperate to ensure the success of the reform policies now being pursued in both lands.

Kim Yong-sam expressed hope that his current visit will boost Russian-Korean cooperation that "will make us even better neighbours". He reminded that the two-way trade jumped from only 900 million USD in 1990 to 1.6 billion last year. Korea's businesses have invested 24 million USD in 25 development projects in Russia, and as of March 1994, 29 major Korean companies had established branch offices in Russia.

Touching upon the situation on the Korean peninsula, the president noted that "it is imperative to resolve international suspicions about North Korea's nuclear development programme as quickly as possible" adding that "without a decisive solution of the nuclear issue, it will be impossible to preserve peace not only on the Korean peninsula but also in Asia as a whole".

"If and when the nuclear issue is settled, the Republic of Korea is ready and willing to provide economic support to North Korea to help it rebuild its tattered economy and carry out reform", Kim Yong-sam stressed.

The president appealed to members of the Russian parliament to actively cooperate to solve the North Korean nuclear issue.

The president cited well-known verses by Russian poet Fedor Tyutchev: "Russia cannot be grasped by reason... It can only be trusted". Emphasizing the last line of the poem, the president said that he trusted that "the rise of a stable and prosperous new Russia will signal the

beginning of a new era of universal prosperity of not only the Russian people themselves but also of all Asians and all mankind".

Kim on Assistance to DPRK

LD0206125994 Moscow ITAR-TASS in English 1158 GMT 2 Jun 94

[By ITAR-TASS diplomatic correspondent Aleksandr Kopnov]

[Text] Moscow June 2 TASS—South Korean President Kim Yong-sam said his country can render economic aid to North Korea if the latter allows nuclear inspections on its territory.

Addressing Russian lawmakers on Thursday he said that, proceeding from the principle of national co-flourishment, South Korea will develop the policy of active cooperation with Pyongyang. Seoul is also ready to promote better relations between North Korea, the United States and Japan, according to the president.

Kim Yong-sam said that he had discussed with the Russian president bilateral relations in full volume, including the issue of making "North Korea refrain from developing nuclear weapons".

State Duma Chairman Ivan Rybkin said that Russia understands the wish of the Korean people "to reunite into a single and flourishing state in the Far East". Russia is ready to promote the reunification, he added.

Further on DPRK Nuclear Issue

SK0206122794 Seoul YONHAP in English 1215 GMT 2 Jun 94

[Text] Moscow, June 1 (YONHAP)—South Korean President Kim Yong-sam said Wednesday that after the North Korean nuclear dispute is settled, Seoul is willing to provide economic support to Pyongyang.

Kim, currently visiting Russia, made the remark while delivering an address to the Council of the Russian Federation.

"If and when the nuclear issue is settled, the Republic of Korea is ready and willing to provide economic support to North Korea to help it rebuild its shattered economy and carry out reform," he said.

Kim arrived in Moscow on Wednesday and has held two summit meetings with Russian President Boris Yeltsin.

"... It is imperative to resolve international suspicions about North Korea's nuclear development program as quickly as possible. Without a decisive solution to the nuclear issue, it will be impossible to preserve peace not only on the Korean peninsula but also in Asia as a whole."

He added, "I sincerely appeal to you, distinguished members of the Federation Council, to actively cooperate in solving this issue."

The president also emphasized that Russia and Korea will be able to work together in ushering in the fledgling Asia-Pacific era.

"It will be impossible to preserve peace in Northeast Asia without Russian cooperation. This is the very basis for the joint efforts of our two countries to advance shared prosperity."

Yeltsin, Kim Answer Questions

LD0206121594 Moscow ITAR-TASS World Service in Russian 1030 GMT 2 Jun 94

[Text] Moscow, 2 Jun (ITAR-TASS)—Asked by an ITAR-TASS correspondent about the Russian initiative on convening an international conference on security and a nuclear-free status for the Korean Peninsula, Russian President Boris Yeltsin said that the Russian and Korean leaders "are greatly concerned at what is going on in North Korea, considering how close it is to Russia's eastern borders." He was speaking at a joint news conference of the Russian and South Korean presidents today,

"We cannot look with indifference at North Korea's attitude toward the Nuclear Non-Proliferation Treaty, signed earlier, and we are prepared to take every action," the Russian president said. At the same time, he said that the issue "is dragging on and there is still no positive solution."

Boris Yeltsin said that "if the opportunity presents itself, this question will be discussed with U.S. President Bill Clinton."

The Russian president believes that it is premature to speak about sanctions against North Korea, as no decision has yet been made on convening an international conference on North Korea's nuclear problem. However, he said, "if North Korea tries to cancel the Nuclear Non-Proliferation Treaty, Russia will be forced to tackle this problem stage by stage. It would first have to issue a warning, and then the world community would have to take sanctions in relation to North Korea."

Regarding the 1961 Treaty with North Korea on friendship, cooperation, and mutual aid, Boris Yeltsin reminded that an amendment has been made to the first artcile of the Treaty. "It contains no rigid statement regarding the fact that we are helping and taking the side of North Korea," The Russian president stressed.

Boris Yeltsin admitted that the Russian debt to South Korea now totals 1,400 million US Dollars. President Boris Yeltsin admitted that the Russian debt to South Korea impedes bilateral economic cooperation, but nevertheless called on Korean businessmen to invest in the Russian Far East.

Russia owes South Korea $1.4 billion, and $400 million are overdue debts.

"This serious problem impedes the development of major projects between the two states", yeltsin said at the news conference, citing the construction of a gas pipeline from the Siberian Republic of Yakutia to Korea as an example. Other major projects include the development of the Far Eastern port of Nakhodka and the construction of a trade center in Moscow. It is important for us that the South Korean president has shown undertanding with regard to rescheduling the debt, Boris Yeltsin stressed.

Asked whether Russia intends to take upon itself to pay out compensation to the victims of the Boeing shot down over Russian territory, Boris Yeltsin said that this tragedy occurred during the cold war, and "is complicated by a number of circumstances." He said that the documents on that prblem have been handed over by the Russian side to the international commission, which concluded that "the primary party to blame was the crew of the KAL airline company, which must accept responsibility."

Regarding the problem of North Korean workers in Russia, Boris Yeltsin said that "every foreigner on our territory has the right to leave Russia if he so desires."

Touching on the nuclear problem with regard to the DPRK, President Kim Yong-sam stated during the joint news conference with the Russian president that the leaders of the two states agree on "the need for complete transparency" with regard to suspicions that the DPRK is developing nuclear weapons. Both presidents, Kim Yong- sam noted, agree to maintain constant contact with one another on this problem, with the aid of a special telephone line.

Kim Yong-sam told correspondents that he has invited Boris Yeltsin to visit the Republic of Korea in the near future. The dates of the visit, he said, would be agreed by diplomatic channels.

Kim Yong-sam attaches "historic significance" to the fact that Boris Yeltsin has given him archive documents connected with the war in Korea between 1950 and 1953. The ROK president stated that he is extremely satisfied with his visit to Russia and said he has favorable impressions of Moscow and the capital's residents, in connection with the changes being brought about by the reforms.

Yeltsin-Kim News Conference

LD0206205894

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1745 GMT on 2 June carries a 14-minute report by an unidentified announcer on a news conference given by Russian President Boris Yeltsin and South Korean President Kim Yong-sam. The report begins with historic background information on Russia's diplomatic and trade links with South Korea. Russia's and South Korea's views on the partnership between the two countries are outlined and a video showing the two presidents signing documents is shown.

Yeltsin is then shown speaking at the news conference: "We saw our task not so much in summing up what has already been done, but in establishing firm prospects for further cooperation. We wanted to make sure that the breakthrough we made in 1992 will not lose its momentum, that our ties will continue to strengthen, and agreements reached in principle will each day be filled with new concrete actions. President Kim Yong-sam and I have signed the new Moscow Declaration. In our opinion, this is a major political document aimed at the future.

"After the treaty on the principles of bilateral relations signed in Seoul in November 1992 this declaration represents a new step forward in the course of our mutually beneficial cooperation. The agreement to introduce regular exchange visits of young people as from next year is also aimed at the future. This will enable our peoples to know each other better.

"We have repeatedly stated that we are interested in full-blooded economic ties and would like to see investments by South Korean firms into our economy increasing, especially in the Far East. The active participation of companies from the Republic of Korea in conversion of our defense industry could also be of mutual benefit. We have arrived at a good level of understanding in regard to these issues."

Having spoken on economic relations between Russia and South Korea, Yeltsin then moves on to the issue of North Korea:

"We paid considerable attention to examining the situation on the Korean Peninsula in the context of nuclear nonproliferation. Russia is greatly concerned by the uncontrollability of the nuclear issue in that region and fundamentally believes that the Democratic People's Republic of Korea should remain a full participant in the Treaty on Nuclear Nonproliferation and carry out in full its obligations under the monitoring agreement of the IAEA. That is our main policy.

"At the same time, we believe that political methods should be used to solve the North Korean nuclear problem and the laws and interests of all interested parties should not be infringed. One of the ways to implement this is the Russian proposal for an international conference on security and the nonnuclear status of the Korean Peninsula to be attended by Russia, both the Korean states, the United States, China, and Japan, as well UN and IAEA representatives.

"During the talks we also touched on the issue of the 100,000 ethnic Korean Russian citizens living in Russia. Our party stressed that Russia's Koreans, like all other Russians in our multi-ethnic country, have the right to state support in preserving their culture, language, and

customs and in the development of links with their historical homeland. We have every reason for optimism in assessing the prospects of our relations with the Republic of Korea. We see them as a relationship of constructive good-neighborliness."

The announcer then says that questions connected with the possible nonnuclear status of the Korean Peninsula were at the center of attention during the news conference.

Yeltsin says: "We, the two presidents, are very concerned about what is happening in the People's Democratic Republic of Korea because it directly borders with Russia. Therefore, we cannot be indifferent to the way the DPRK regards the treaties on nonproliferation of nuclear weapons, and are prepared to act accordingly. At first, the United States was dealing with this matter, but the question dragged on, and so far no positive solution has been found. We will try to talk to U.S. President Clinton today, if we can reach him—he is on official visit at the moment. After all, we propose that the international community should use its influence in solving this question. In other words, it should be discussed between Russia, the two Koreas, the United States, Japan, China, the United Nations, and the IAEA. We should all meet at a summit and solve this problem accordingly. I think this is the only way to solve this problem. I should say that Mr. Kim Yong-sam has agreed in principle with this proposal."

The announcer goes on to say that, at one point, Yeltsin answered a question from a South Korean journalist about whether Russia might impose sanctions against North Korea and, in general, what Russia's position was, given that the treaty of mutual assistance between Russia and North Korea was still in force.

Yeltsin says: "Today, when the decision has not yet been made to convene an international conference on the problem, as it were, the nuclear problem of the DPRK, it is just a bit too early to speak straight away about sanctions. But, in principle, if matters reach a point where the DPRK digs in its heels and refuses to sign, as it were, or rather to annul the Nuclear Nonproliferation Treaty, bearing in mind the nearness of our shores, which constitutes a danger to Russia and to our population, we will be obliged, gradually, of course, firstly to warn, and later, probably, the world community will have to adopt, may also adopt some kind of sanctions.

"As for war and the 1961 Treaty, an amendment to Article One was made in 1990 whereby there is no longer any rigid stipulation about our helping or siding with the DPRK."

Yeltsin is then asked by a Mayak Radio correspondent if he discussed Russia's debt to South Korea during his talks with Kim. Yeltsin replies: "Yes, of course we discussed the issue. The debt is equal to almost 1.4 billion dollars, 400 million of that sum is outstanding debt. This is a serious problem that is hampering the development and implementation of the major projects that already exist between us, and a special consortium has been set up to advance these projects, such as a Yakutiya-Korea gas pipe or the development of the port of Nakhodka, or the construction of a trade center in Moscow and, well, a lot of other projects and objectives of this kind.

"During the discussions, I for one was given to understand that the president of Korea was sympathetic toward the issue of postponing the debt, the start of the cancellation of the debt. That is important for us."

To the question of whether Russia is considering paying a compensation for the victims of the Korean Airlines airliner shot down in 1983, Yeltsin says: "This tragedy occurred during the Cold War period and was caused by a combination of a number of circumstances. We handed over all the relevant documents and the international commission that was set up to study all the aspects of this tragedy found that, after all, the crew of the KAL company was at fault. They should bear the responsibility."

The announcer then says that Kim Yong-sam spoke about the results of his visit to Moscow, and said that this was very useful. Kim Yong-sam is quoted as saying: I believe that in the course of my visit and my talks with Mr. Yeltsin we discovered new approaches toward the positive and substantial development of our relations. The further development of our relations will undoubtedly help the peace process in Asia and in the rest of the world.

Yeltsin is then shown summing up the news conference and says: "I believe the most important thing is the spirit in which our discussions were held. They were held on the basis and in the spirit of friendship, mutual understanding, cooperation, partnership, and personal liking for each other—which is very important. The fact that just in one year our trade turnover with South Korea has doubled means that our peoples and our leaders have enormous reserves for developing cooperation exactly on this basis. Thank you."

Kim Says Yeltsin To Visit ROK

SK0306084394 Seoul YONHAP in English 0701 GMT 3 Jun 94

[Text] Moscow, June 3 (YONHAP)—Russian President Boris Yeltsin will visit South Korea in the near future, President Kim Yong-sam said Friday [3 June].

Kim told South Korean correspondents here that Yeltsin had accepted his invitation to visit Seoul and expected that it would take place soon.

Considering that Yeltsin's term of office expires in June 1996, he is expected to visit South Korea next year, a senior member of Kim's entourage said.

Kim Meets State Duma Chairman Rybkin

LD0206213294 Moscow ITAR-TASS World Service in Russian 1321 GMT 2 Jun 94

[Text] Moscow, 2 June—The visit of the head of the Republic of Korea is symbolic, "because it is taking place at a time when our countries are in the midst of socio-economic transformations and the break-up of out-dated systems and patterns of social development," State Duma Chairman Ivan Rybkin said after his meeting with ROK President Kim Yong-sam at the President Hotel today.

The chairman of the State Duma hoped that multi-faceted ties will develop between the Republic of Korea and Russia and that contacts between their supreme legislative bodies—the Federal Assembly of Russia and the National Assembly of the Republic of Korea—play a proper part in this.

In reply Kim Yong-sam said he was delighted to meet the leaders of a parliament that was elected in free elections for the first time in Russia.

He expressed gratitude to the State Duma for its adoption of a legislative act rehabilitating repressed Koreans in Russia and touched on the problems of nuclear disarmament on the Korean peninsula and Russia's participation in the Asian-Pacific Economic Cooperation program.

The Korean president expressed the hope that his "visit will serve as a stimulus for shifting our bilateral relations onto a qualitatively new and higher level of constructive and mutually complementary partnership."

Gas Agreement Signed

SK0306051494 Seoul YONHAP in English 0247 GMT 3 Jun 94

[Text] Moscow, June 3 (YONHAP)—South Korea and Russia agreed Thursday to jointly develop a natural gas field in Yakutia Autonomous Republic in eastern Siberia to supply gas through a pipeline to Seoul.

President Kim Yong-sam, visiting Moscow until Saturday, and Russian President Boris Yeltsin agreed to invest 10 million U.S. dollars apiece in a year-long feasibility study of the project at their expanded summit meeting, a senior member of Kim's entourage said. The project, costing 15-20 billion dollars in total, will include development of gas fields and construction of a pipeline connecting Yakutsk, Khabarovsk and Wonsan in North Korea to Seoul—and further to Japan if things go well, he said.

The two governments signed an agreement to develop the Yakut gas field in 1992, but could not narrow their differences on the project's details. "But President Yeltsin proposed that each country invest 10 million dollars this time, so the agreement could be reached," he said.

He added, "It may take one or two years to decide if the field is worth developing, and if it is worth it, the two countries will have to further study the field's feasibility more closely for another two years." If all goes well, he added, the two nations will be able to start the project in 1998.

Eleven South Korean companies including Korea Petroleum Development Corp., Daewoo, Samsung and Yukong Ltd. have already formed a consortium, while Russia and Yakutia have set up their own consortiums.

"In addition to promoting the economies of the two countries, the project may contribute to forming a basis for unification of the two Koreas since the pipeline goes through North Korea to the South," he said.

Seoul and Moscow plan to discuss securing the development rights to the gas field, whose estimated deposits come to 590 million tons, and consult with North Korea on construction of the pipeline.

Meanwhile, Kim and Yeltsin also agreed to push for other projects that help promote South Korean investment in Russia such as construction of a trade center in Moscow, designation of a wharf for exclusive use by South Korean ships, construction of a bonded factory and preparation of an industrial complex for South Korean businesses.

The two countries inaugurated three research and development centers in Moscow to promote bilateral technological cooperation and commemorate President Kim's visit to the Russian capital.

Lukin Says Russia Should Pressure DPRK on NPT Issue

LD0206101994 Moscow ITAR-TASS in English 0908 GMT 2 Jun 94

[By ITAR-TASS correspondents Nikolay Geronin and Vladimir Solntsev]

[Text] Moscow June 2 TASS—Russia should mount pressure on North Korea to observe the nuclear non-proliferation regime, according to Vladimir Lukin, chairman of the State Duma Committee on International Affairs, who, however, did not say directly whether sanctions should be imposed on Pyongyang.

"Our attitude to the problem of nuclear armaments of any state is resolutely negative. Surely, it is better to reach an agreement than impose sanctions, but the non-proliferation regime should be maintained very strictly", he told TASS on Thursday.

Lukin, who participated in Russian-South Korean talks on Thursday, said that "Russia is especially not interested in the appearance of new nuclear states on its borders" and added that it is necessary to hold a dialogue with Pyongyang when possible.

If the dialogue fails "then those countries which do not want to abide by international and even their own decisions should be convinced more resolutely", he said.

Chinese Air Force General Begins 10-day Visit

LD0206125094 Moscow ITAR-TASS in English 1224 GMT 2 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow June 2 TASS—Commander of the air force branch of the Chinese People's Army, Colonel-General Cao Shuangming, is scheduled to begin a ten-day official visit to Russia on Thursday, ITAR-TASS was told by the Russian air force press centre. The general should arrive in the evening, at 20:00 Moscow time.

The Chinese commander's itinerary for Friday includes laying a wreath at the monument to the unknown soldier and visits to the aviation technology demonstration center in Kubinka (south of Moscow) and to the victory day memorial on Poklonnaya Hill. Later in his visit, Cao Shuangming plans to visit the Gagarin air force academy and the Sukhoi experimental design bureau. The Chinese commander will visit Volgograd and St. Petersburg in addition to spending two days in the Black Sea resort of Sochi, where the Russian air force has an exclusive resort.

Military experts say that Russia's and China's military departments have normal business-like ties. They have an agreement on cooperation, which aims to ensure the security of the two countries and strengthen peace in the Asia-Pacific region.

The document, in particular, envisages mutual visits, including by the commanding staff. This April, head of the General Staff of the Russian army, Colonel-General Mikhail Kolesnikov, went to China on an official visit. It is envisaged that, by the end of 1994, seven Chinese military delegations of different levels will have visited Russia.

The Chinese military is especially interested in Russian aerospace technology. Russia recently sold China some Su-27 fighter planes, and additional shipments are under consideration. China is interested in obtaining a license to produce the Su-27, and has initiated negotiations on what conditions such a deal should include.

Kokoshin Promotes Military Cooperation With China

LD0106213894 Moscow Russian Television Network in Russian 1920 GMT 1 Jun 94

[From the "Vesti" newscast; Kokoshkin remarks recorded throughout]

[Text] [Video shows Chernomyrdin visit to China] First Deputy Defense Minister Andrey Kokoshin, who has just been with Chernomyrdin in China, has continued to strengthen our military contacts, to expand the exchange of servicemen and vessels which, he said, aroused no suspicion on the part of our common good friend, India. Military-technical cooperation with Beijing is based on the fact that Chinese combat equipment is originally based on our weapons.

[Kokoshin] They are seen by the Chinese army and the Chinese navy as the most suitable for them to produce.

[Peslyak] There is a world-wide struggle for the armaments market but the Chinese side itself wants to develop, for example, combat aircraft construction on the basis of Russian achievements, starting from small beginnings.

[Kokoshin] At this stage it is a question of, specifically, supplying a batch of SU-27s.

[Peslyak] Kokoshin said that at present the development of not only Russia's military but also its civilian technologies is being paid for from the defense budget, not to mention that this expenditure is to a large extent social expenditure since it provides for closed military and scientific townlets.

[Kokoshin] Today expenditure on defense research and development is money being spent on strengthening Russia's position in the world economy.

Chinese Bank To Grant $10 Million Credit to Banks

LD0206132294 Moscow INTERFAX in English 1101 GMT 2 Jun 94

[Text] The Bank of China branch in Moscow intends to implement indirect investments into the Russian economy by granting a 10 Mn dollar credit to several commercial banks this June, the bank's President Du Wanyu reported to the Financial Information Agency in Moscow.

He indicated that Russian bankers easily establish contacts because the interest rate on credits is relatively low. However, he did not mention its amount.

Since 1994 the Bank of China in Moscow has granted credits to its Russian partners amounting to one million dollars.

According to Du Wan You, China's financial circles attentively follow the political situation in Russia and he sees his major task in expansion of trade relations between two countries. Du Wan You's assessment of the prospects of the liberalization of the access of the foreign banks to Russia was rather restrained. He believes that it is necessary to first examine all the nuances of Russian banking legislation.

Viktor Gerashchenko, Chairman of the Central Bank of Russia, reported early this week that Russian President

Boris Yeltsin is expected to sign a decree on the activity of foreign banks on the territory of the Russian Federation before June 8, 1994.

Bank of China in Moscow is a joint stock commercial bank with an authorized capital totalling 10 million dollars, it was founded as China's foreign branch bank. The Bank has received a general licence of the Central Bank of Russia on April 4, 1993.

PRC Foreign Ministry Denial on Russian Defense Experts

LD0206161894 Moscow ITAR-TASS World Service in Russian 1155 GMT 2 Jun 94

[By ITAR-TASS correspondent Aleksandr Romanov]

[Text] Beijing, 2 Jun—A claim by the U.S. magazine U.S. NEWS AND WORLD REPORT that several thousand scientists and technical specialists from the former USSR are currently working to contract in China on the creation of new weapons systems was described as "absolutely without foundation" today by a representative of the Chinese Foreign Ministry.

Replying to a question from ITAR-TASS, the Chinese diplomat remarked that reports of Russian weapons experts helping his country to modernize its armaments crop up from time to time in the U.S. media. He laughed at the magazine's citing of U.S. intelligence sources. "U.S. intelligence always gets it wrong," he said.

On Wednesday, the U.S. magazine's story was denied by a senior official from the Russian Foreign Ministry.

"I suppose there are some contracts for our technical specialists to go to China," he told ITAR-TASS, "but I very much doubt their number is as high as that, especially in such a delicate and sensitive area of cooperation. I think that it does happen, but in single figures."

"Thousands of them—that is a crazy figure," ITAR-TASS was told on the same day by a qualified source at the Russian Federation Foreign Intelligence Service. "Until recently," he added, "we had no instances of anybody working in arms production."

According to other sources, Russian specialists, especially in aircraft construction, are attracting great attention from Beijing. These are mainly middle-ranking technicians whose pay in China would as a rule not exceed 1,000 dollars a month. That is considerably less than they would get in the West, but a lot more than in Russia.

Bosnian Serb Leader Karadzic To Visit Moscow 8-12 Jun

LD0206213994 Moscow ITAR-TASS World Service in Russian 1548 GMT 2 Jun 94

[By ITAR-TASS correspondent Konstantin Pribytkov]

[Text] Geneva, 2 June—Bosnian Serb leader Radovan Karadzic plans to visit Moscow next week. The Serbian leader, who is also well known as a poet, said today in an exclusive interview with an ITAR-TASS correspondent in Geneva that the trip is connected with his being awarded the literary Mikhail Sholokhov Prize by the Russian Union of Writers. In addition, Radovan Karadzic intends to make use of his stay in Moscow to have talks about the rapid achievement of peace in Bosnia and Herzegovina.

According to the Serbian leader, the trip is planned for about 8-12 June.

Karadzic Interview on Bosnia Truce Talks

LD0206204794 Moscow ITAR-TASS in English 2019 GMT 2 Jun 94

[By ITAR-TASS correspondent Konstantin Pribytkov]

[Text] Geneva June 2 TASS—Bosnian Serb leader Radovan Karadzic thinks that the U.N. promoted ceasefire talks on Bosnia- Herzegovina, which were scheduled to be held today, can be held in Geneva on Friday [3 June]. In an exclusive interview with ITAR- TASS, Karadzic expressed the hope that a ceasefire agreement can be signed at these talks. "The Serbs, Karadzic said, "have been seeking such an agreement for the past two years."

The talks were cancelled virtually a few minutes before their scheduled opening today. A decision to this effect was made by special U.N. secretary-general's envoy in Yugoslavia Yasushi Akashi. He motivated his step by the Bosinan Serbs' failure to fulfil their obligation to withdraw troops from a 3-km zone around the Moslem enclave of Gorazde. Commenting on the situation in Geneva, the Bosnian Serb leader said that the Moslem side has once again succeeded in avoiding the talks.

The Serb leader surmised that the complications, which have cropped up regarding the reported arrival of Serb units in the vicinity of Gorazde, can be settled.

The Serb delegation intends to take part in the "contact group" session on Bosnia of which diplomats of Russia, United States, Great Britain, Germany and France are members. The session, to which the Moslems and the Croats are also invited, is scheduled to be held in the French mission in the European department of the U.N. It will resume discussions, which had begun at the previous similar meeting held in the French city of Talloires at the end of May. The Serb delegation will be led by Momcilo Krajisnik, chaiman of the parliament of the republic proclaimed by the Bosnian Serbs.

Further on Greek Foreign Minister's Visit

Meets With Yeltsin

LD0306081194 Moscow ITAR-TASS World Service in Russian 0721 GMT 3 Jun 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow, 3 Jun (ITAR-TASS)—The question of signing an agreement between Russia and the European Union [EU] on partnership and cooperation was a focal point at a meeting between Russian President Boris Yeltsin and Greek Foreign Minister Karolos Papoulias in Moscow today.

At the start of the meeting the Russian president expressed amazement that "Russia occupies half of Europe and is still not in Europe." The Greek minister stressed that Greece, which is the current chairman in the EU's leading bodies, is among those countries which actively support the idea of close ties between Russia and the EU.

Karolos Papoulias invited Boris Yeltsin to the Greek island of Kerkira [Corfu] 24-25 June for a meeting between the leaders of the EU countries to conclude an agreement between Russia and the EU. He gave an assurance that everything is ready for the signing of this important document.

Arrives in Murmansk

LD0206132194 Moscow ITAR-TASS in English 1126 GMT 2 Jun 94

[By ITAR-TASS correspondent Vladimir Novikov]

[Text] Murmansk June 2 TASS—Greek Foreign Minister Karolos Papoulias, currently paying an official visit to Russia, arrived in Murmansk today. He will meet Yevgeniy Komarov, head of the regional administration. They are expected to discuss the possibility of greek participation in the development of the economy of the Kola Peninsula.

The agenda of the Greek minister's brief stay here includes a sightseeing tour of Murmansk and a visit to the Annunciation Church in the ancient town of Kola.

The Greek foreign minister will return from Murmansk to Moscow today.

'Total Mutual Understanding' Marks Visit

PM0206113394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 2 Jun 94 p 7

[Yelena Kalyadina report: "Minister Happy, Wife 'Concerned'"]

[Text] Greek Foreign Minister Karolos Papoulias' three-day visit to the Russian capital is taking place, as we used to say, in an atmosphere of total mutual understanding. And this is by no means journalistic affectation on my part, but literally the opinion that the Greek visitor and his Russian counterpart A. Kozyrev voiced after their talks yesterday. The said understanding has been observed on a whole range of issues.

In particular, we are demonstrating total unity of views on the problem of a Yugoslav settlement. And this unity presumably enabled the two ministers, by the Russian foreign minister's admission, to outline a number of future steps in this noble work.

Andrey Kozyrev and Karolos Papoulias were both happy with the way in which economic ties are developing between Russia and Greece. Admittedly, I would like to add on behalf of the representatives of big business with whom I spoke: We are still a long way from perfection since we still prefer the wide-ranging barter of furs and citrus fruits to wide-ranging cooperation in major spheres. But it is a source of joy that "we have the political will" to achieve this perfection (I am again quoting Andrey Vladimirovich).

However, we (Russia) are particularly delighted by the fact that Greece, currently president of the European Union [EU], has kept the promise that it made on taking up office and has, where possible, promoted rapprochement between our fatherland and the EU. Minister Kozyrev thanked the Greek Government for this support. After which he intrigued the journalists at the press conference by admitting that "there may be major events in this sphere" shortly.

Journalists were naturally interested as to what events these might be. Since before he left for Moscow in an interview with ITAR-TASS Karolos Papoulias spoke of the possible signing of a partnership agreement between the EU and Russia—during the EU leaders' coming meeting on the Greek island of Corfu. Nevertheless Andrey Vladimirovich did not satisfy my colleagues' interest. And instead of providing a concrete answer said that this summer children from the North of Russia will be going to Greece for a vacation "due to" Greek charity. Evidently in order to ease our disappointment he revealed a family secret: His wife, who is head of the "Concern" [Zabota] Children's Fund, is in charge of sending the children.

Lukin Says Russia Ready for Agreement With EU

LD0206120394 Moscow ITAR-TASS in English 1147 GMT 2 Jun 94

[By ITAR-TASS diplomatic correspondent Denis Perkin]

[Text] Moscow June 2 TASS—Russia is quite ready to sign a full-scale and specific agreement on cooperation with the European Union, according to Vladimir Lukin, chairman of the State Duma Committee for International Affairs. It is still early to speak about Russia's membership in the Union but it is already necessary to begin a serious preparatory process.

Closer economic ties with western Europe is also important because Russia may soon join the General Agreement on Tariffs and Trade (GATT), Lukin said. Negotiations on this have practically entered the home stretch.

The agreement with the European Union, according to Lukin, must be equitable, correspond to the Russian state's short-term and long- term interests and facilitate the provision of equal opportunities in trade. This is the only way permitting Russia to strengthen its currency and carry out economic reform relaying on its own strength. So far the West's readiness for equitable partnership in trade is expressed mainly in words and as soon as competitive Russian goods hit the international markets, the system of quotas and constraints is put in force. This approach must be discarded, and specific, realistic and tough negotiations should begin, Lukin stressed.

The principle of equality should prevail also in the sphere of political partnership, Lukin said. Russia has a rich experience of "reacting to crises" and is prepared for honest cooperation in the settlement in prevention of conflicts in Europe, proceeding from both the continental and national security interests.

Touching on the Bosnian crisis in this context, Lukin spoke out against the "ill-considered publicity-oriented airstrike policy" and any bloodshed it is fraught with. He stressed the need for peace dialogue at the negotiating table by the warring parties.

As concerns Russia's possible part in the NATO programme "Partnership for Peace", Lukin declared that the proposals which Russian Defence Minister Pavel Grachev had taken to Brussels took considerable account of the recommendations given him by the State Duma and its International Affairs Committee.

According to Lukin, it was "an acceptable variant for a serious discussion". As regards the outcome of Grachev's discussions with the NATO leadership, it is to early to draw conclusions because no detailed information on this score has been forwarded by the executive to the Russian parliament.

D-Day Celebrations Raise Tricky Questions for Clinton

PM0206162594 Moscow IZVESTIYA in Russian 3 Jun 94 p 3

[Vladimir Nadein report: "Commander in Chief Clinton Comes to Europe To Celebrate All Victories at Once"]

[Text] Washington—U.S. President Bill Clinton has left on a nine-day tour of Europe with one main objective—to lead the ceremonies in France. Allied troops landed here on the shores of Normandy 50 years ago, 6 June 1944. The colorful and costly celebrations for which people in the United States and Europe have been preparing for a long time are designed to show that it was this event, known here as D-Day, that brought the decisive breakthrough in World War II.

One cannot help hearing distinctly chauvinistic notes in the long, triumphal precelebration campaign. I must warn you right away that, if anyone imagines that the mass media are denying the role of the Soviet Army or events on the Eastern Front, say, or that the Americans are scornful of and deaf to the casualties and devastation suffered by the USSR, that impression is mistaken.

When I talk about chauvinism I mean the strictly U.S. form, whereby recognition of the merits of other participants in the great war gets lost in a boundless sea of highly varied and excellent material in all conceivable genres. You get the feeling from this plethora of material of a U.S. triumph—U.S. above all—over the German military machine, and persistent parallels with the victorious battle in the desert against Saddam Husayn, not entirely overshadowed by what are in this case inappropriate memories of Vietnam, create a general picture of the logic and inevitability of the last and only superpower's victory in the Cold War as well.

By no means everything that is being broadcast at the moment will remain in the memory of the pragmatic Americans once the celebrations are over. But no means everything will be forgotten. The theatrical rerun of the allied landing in Normandy (and a precise copy of it on the same day in the United States, near Norfolk) will remain in the memory as virtually documentary evidence of insuperable U.S. might.

President Bill Clinton, who has already gotten weary of defending himself against charges of wavering and inconsistency in the world arena and reluctance to offer the world U.S. leadership, will speak solemnly and at length about the heroic deeds of "our fathers and grandfathers." But he will voice another conviction (and this may not please some people in Europe)—that the era of U.S. paratroops deployed far from the United States is gone forever and that, while the Americans are not averse to leading the planet—with advice, open trade, all manner of exchanges—they no longer have the forces and do not expect to have the forces to carry out such landings.

The return to power in a number of European countries of those whom people in the United States consider neofascists (Italy) or Communists (Hungary, Poland, Lithuania) compels the President to speak with unprecedented delicacy both on the problems arising from the victories 50 years ago and the triumph in the Cold War. Another tricky element is that the U.S. President, who under to the U.S. Constitution is supreme commander in chief, once refused to serve in the Army on ideological grounds.

What is more, he was an active participant in the pacifist movement during his education at Britain's Oxford University. That is why Bill Clinton has not included a visit to Oxford in his agenda and in the United States chose a slightly older audience in order to ensure that the

commander in chief's thanks for their good service did not elicit undesirable comparisons.

During a meeting with World War II veterans on the eve of his departure for Rome President Bill Clinton said that he had been studying specially for several weeks the course of the combat operations in Europe.

One can say without stretching a point that the U.S. President is a fairly rare exception among his people. The overwhelming majority of the U.S. population are quite sincerely unaware of what kind of war it was, who fought whom during it, and, importantly, why.

Abkhazia Peacemakers' Chances of Success Assessed

PM0206121994 Moscow TRUD in Russian 2 Jun 94 pp 1-2

[Igor Chernov report: "Will Peacemakers Go Into Abkhazia?"]

[Excerpts] Sochi—Late last week the first subunits of the airborne assault units that are to be introduced into Abkhazia as peacemaking forces were dispatched to the Russian military airfield at Gudauta. According to Abkhazian sources, the airborne troops come from the Leningrad and Volga Military Districts. If they take up positions along the Inguri River and in the Kodor Gorge, the Georgian-Abkhazian conflict will shift to the stage of purely political confrontation. Needless to say, the peacemakers will not resolve the problems that caused the war, but they will be able to prevent armed clashes from flaring up again. [passage omitted]

Representatives of the Georgian and Abkhazian military departments spent all last week at work in Moscow. With the mediation and participation of Russian Defense Ministry officers they drafted a schedule and plan for disengagement and for the introduction of peacemaking forces. Official Tbilisi was acquainted with the plan at the weekend. Russian Defense Ministry experts confirmed the previous dates for the introduction of the peacemakers—10 through 15 June.

At the moment the following can be said about the impending disengagement of the adversaries: They will pull back 12 km into their territory from the contact line along the Inguri River. "Blue helmets" will take up positions in the resulting corridor. Something similar will also happen on the second Abkhazian front—in the Kodor Gorge, where serious fighting started this spring. According to experts, once the peacemaking forces have been deployed the conflicting parties will no longer be able to launch full-scale combat operations.

Regrettably, I cannot avoid using the word "if" in this commentary because today there is still no 100-percent confidence that the peacemakers really will be brought into Abkhazia. Events show that the good intentions could be frustrated. [passage omitted]

Who stands to gain from provocations on the eve of the peacemaking forces' introduction? Presumably not the Abkhazians. The accords that have been secured satisfy the Sukhumi leadership on the whole. The peacemakers will, after all, be introduced in the way the Abkhazians planned—between the enemies' troops, and not throughout the republic's territory as the Georgians demanded. The peacemaking forces' presence will put the conflict on ice indefinitely and, as I have already pointed out, will rule out the possibility of the problem of Abkhazian separatism being resolved by military means. It is also important for the Abkhazians that it is Russian airborne troops being brought into the republic, rather than the international forces for which Eduard Shevardnadze unsuccessfully appealed for so long. On the whole people in Abkhazia note some warming on Russia's part: The Russian Government has allocated 2 billion rubles in aid, the republic has been admitted as an associate member to the Association for Socioeconomic Cooperation Between the Republics, Krays, and Oblasts of the Russian Federation's North Caucasus Region, and members of the association have asked the Russian Government to lift economic sanctions.

However, there are forces in Georgia that categorically oppose the proposed scenario for settling the conflict. I am talking about the Union for the Liberation of Abkhazia led by Boris Kakubava, a member of the Georgian parliament. The Union comprises Georgian refugees from Abkhazia, mainly active participants in the combat operations on the republic's territory. They sharply criticize Eduard Shevardnadze's policy, saying that he is mainly to blame for the lost battles and calling for the war to be prosecuted to a victorious conclusion. By all accounts, Kakubava also has supporters in the Georgian Army units opposing the Abkhazian Armed Forces. It is quite possible that they will take some action to wreck the disengagement plan in the time remaining until the peacemaking forces are introduced.

Visa To Transit Lithuania Required

944F0763B St. Petersburg NEVSKOYE VREMYA in Russian 1 Jun 94 p 1

[Report by Igor Cherevko: "No Boarding Without a Visa"]

[Text] *A visa requirement imposed by Lithuania to transit its territory by passengers from other CIS states has created serious problems in the relations between the October Railroad and the Ukrainian Administration of Railroads.* Since this country imposed the visa regime, the St. Petersburg-Lvov train, which transits Lithuania, has been empty in both directions.

The Ukrainian Administration of Railroads asked the October Railroad to resolve with the Republic of Lithuania the question of repealing the transit visa requirement. There is a precedent: Passengers on the St. Petersburg-Kaliningrad train do not need such visas. The management of the Ukrainian Administration of

Railroads suggested that the October Railroad stop selling tickets for this train until the problem with Lithuania is settled.

Political Issues

Ponomarev Forms Democratic Russia Party

LD0306100194 Moscow ITAR-TASS in English 0845 GMT 3 Jun 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow June 3 TASS—"The federal Democratic Russia Party is farther apart from the authorities than the Russia's Choice party. Politically, the Democratic Russia Party is closer to the centre than the Russia's Choice," co-chairman of the Democratic Russia movement Lev Ponomarev, whose idea it was to set up a new party, told ITAR-TASS.

According to Ponomarev, the party, which is now being set up by Yegor Gaydar, i.e. the Russia's Choice party, would most likely be a bourgeois-type organisation, while the Democratic Russia Party regards itself as a "right-wing social-democratic party in the Western sense of the term", and will "contribute to the social adaptation of the population to the ongoing reforms", will combat bureaucracy.

Ponomarev explained that the Democratic Russia Party was "in a way a party of the opposition". It is in opposition to the government, especially to the local authorities in the provinces, but not to the president, whom the party still regards as the "locomotive of reforms". "We dare oppose the authorities to a greater extent than the Russia's Choice party. We have not signed the social concord agreement, while Gaydar did it," Ponomarev stated.

"The Democratic Russia Party relies on the backing of the same social groups as the Russia's Choice, that is the intellectuals, small and medium-size businessmen, and it will inevitably compete with Gaydar's party for influence on these sections of the population," Ponomarev noted. "As to the already existing organisational foundation of the Democratic Russia movement, Ponomarev said that it had split between the two new parties. In some places most of the members of the movement's regional organisations had joined the Russia's Choice party (for instance, in Archangel), but in most of the regions they decided to join the Democratic Russia Party. He said that in Moscow the membership of the Democratic Russia movement had split between the two parties almost equally.

Ponomarev believes that in spite of all their current differences, the democrats were obliged to nominate one common candidate to the post of president during the future elections. "We do not plan to nominate our own candidate. We shall do everything we can to have one common candidate from all the democratic forces," he stressed.

People's Party Leader: 'Civil Peace' Sustainable

PM0206083594 Moscow ROSSIYSKIYE VESTI in Russian 28 May 94 p 1

["Contradictions Must Be Settled at Elections, Telman Gdlyan, Cochairman of the People's Party of Russia, Believes"—ROSSIYSKIYE VESTI headline]

[Text] There are a lot of people who doubt the possibility of maintaining civil peace in the country. I do not share these doubts. I am convinced that society is mature enough to understand the dangers which we have recently come up against. Now individual sections of this society will no longer opt for sharp confrontation, understanding that this is too dangerous and is liable to result in self-destruction. They must not cross this line.

Therefore, in my estimation, no matter how much our boat is tossed about, we will successfully get through the period until 1995, and will settle our contradictions at the next parliamentary elections. I think that we will also live to see the next presidential elections. If we cross these two bridges, then we will smoothly cross over into a normal constitutional system of rule.

I believe that everyone who signed the Social Accord Treaty in Russia should strive for this. It should be understood that the treaty is not a code which contains sharp restrictions, it does not demand things from its participants which should not be demanded—such as giving up ideological and political convictions. Ideological and political differences will undoubtedly remain, but this document contains a main, pivotal thing: Agreement not to resort to violence in the political struggle under any circumstances. And that is the main thing that should unite society.

Russia Searching for Solutions on Republic Sovereignty

PM0206161594 Moscow ROSSIYSKIYE VESTI in Russian 2 Jun 94 p 1

[Lyubov Tsukanova commentary: "Uncontrolled Sovereignty Is Unpredictable. But This Is Better Than Standing Still"]

[Text] During his visit to Tatarstan, President Yeltsin drew the conclusion that he had been right in the first place to offer republics within the Russian Federation as much sovereignty as "they could swallow." The basis for this conclusion is a bilateral treaty recently signed between Russia and the Republic of Tatarstan, which determines the volume of republic powers on the one hand and federal powers on the other hand. As Boris Yeltsin noted, the treaty has enshrined the real volume of powers which the republic is in a position to digest. However, judging by the worried face of Mintimer Shaymiyev, the process of "digestion" is proceeding with difficulty, and he briefly outlined the reason for this in his reply: "Mechanisms are needed..." Following on

from this by association, what this means is that anything can be swallowed, but in order to avoid indigestion, sovereignty must be "chewed" properly. That is, totally specific organizational mechanisms of interaction between the center and the component of the Federation must be thought out and elaborated. As usual, this is difficult. And as extremely long discussions went on at one time about the mechanism of the implementation of the Federation Treaty, which was not elaborated in the end anyway, so now there is—evidently on Tatarstan's part, first and foremost—strong concern about ensuring that the bilateral treaty does not remain a political declaration only.

The meeting between Boris Yeltsin and Mintimer Shaymiyev should be a guarantee of the fact that steps to regulate economic problems will follow on from the political achievements of the treaty (and these are real: Elections to the Russian Federation Federal Assembly have been held in Tatarstan). The economic problems are no less real and alarming: Mutual tax relations have not been established, which is worrying the federal government first and foremost, as it is not receiving the full complement of taxes from Tatarstan; the republic, for its part, is not satisfied with the fact that the center has so far done nothing to ensure that the demarcation of powers has moved from "paper" to practical deeds.

Admittedly, the creation of a bilateral commission to monitor the implementation of the treaty has been announced. But no commission in our country has ever been a guarantee that things will get moving. In a specific case, perhaps only direct support to a given problem on the part of Russian Government Vice Premier Sergey Shakhray, who, as we know, promoted the treaty on the center's side, may serve as a guarantee.

The Russian Federation president expressed the hope that the outline for mutual relations between Moscow and Kazan will constitute the basis for settling problems between the center and other components of the Federation which are aspiring to autonomy. He has Chechnya primarily in mind. But today, Bashkiria, Tuva, and a number of "self-sufficient" krays and oblasts are aspiring to the Tatarstan model. Evidently, the process of formulating bilateral treaties will be widened, although it has a lot of opponents, according to whom this will mean a transition from a constitutional federation to a treaty-based one. This problem has not been solved on a theoretical level, and will most likely not be solved in the near future. The construction of the federation, like a lot of other things, is proceeding by the method of "feeling your way." "The digestion of sovereignty" by the republics is proceeding in an uncontrolled way, with a multitude of negative side-effects which no one is analyzing properly at state level. Krays and oblasts, which have recently been pinning more and more hopes on regional unification within historically established economic areas, are moving along the experimental path toward greater independence. What this will turn into, no one can say today. The only thing that is clear is that the more the federal powers, both executive and legislative, delay in settling regional problems, the fewer the chances are that the construction of the federation will proceed along a normal, constructive path, without any nasty surprises for Moscow.

Yeltsin Edict Declares 12 Jun National Holiday

LD0206162494 Moscow ITAR-TASS in English 1559 GMT 2 Jun 94

[By ITAR-TASS]

[Text] Moscow June 2 TASS—President Boris Yeltsin of Russia has issued a decree, under which June 12—the day when the declaration on state sovereignty of the Russian Federation was passed in 1991—will be a national holiday.

The press service of the Russian president circulated the news on Thursday.

Duma Member Shot at Home, in Critical Condition

LD0206125594 Moscow INTERFAX in English 1101 GMT 2 Jun 94

[Text] The Moscow Duma member Nikolay Moskovchenko was heavily wounded at the entrance to his house Wednesday night. As Interfax has learned from Moscow's law enforcement bodies, he was struck by three bullets. No other details are known yet, except that Moskovchenko is in an intensive care unit in critical condition but is conscious.

The Prosecutor General's Office has initiated legal proceedings, and an investigation is under way.

The State Duma member Andrey Aizderdzis was shot dead in the town of Khimki near Moscow at the end of April. Police believe his killer was hired.

Economic Issues

Budget Debate Shows 'Grounds for Concern'

PM0206145794 Moscow ROSSIYSKIYE VESTI in Russian 1 Jun 94 p 3

[Article by Aleksandr Pochinok, deputy chairman of the State Duma Committee for the Budget, Taxes, Banks, and Finances: "Budget as Mirror of Russian Economy. Neither Government Nor Parliament Prevents It From Being Examined More Frequently"]

[Text] After a long and stormy session on 15 April the State Duma adopted the draft budget submitted by the government as a basis and proposed that the government make changes to the basic features of the document within two weeks and submit it for first-reading examination by the Duma.

The difficulty and complexity of the debate clearly showed how vulnerable the current budget is to criticism. Undoubtedly it was better-prepared than previous ones, the methods used to draw it up had changed, there were virtually no secret or hidden articles, the foreign economic activity section had been fundamentally altered, and it proposed for the first time introducing a system of transfer payments [transferty] to support needy Federation components. The budget is very realistic and describes the difficult position of the Russian economy without embellishment. It retains the best features of the financial stabilization program that was begun in 1993 and makes it possible to reduce the inflation rate to 9-10 percent a month. Adoption of the budget will make it possible to finance a whole host of highly important programs that are being put off owing to the lack of a budget. Payments on domestic debt—on commodity bonds, checks, and targeted deposits—will increase sharply. And it is not even a question of erroneous figures, although there are some of those. There are some fundamental grounds for concern.

The most important problem is the delay in the submission [predostavleniye] of the budget for a year and the lack of a number of fundamental decisions on fiscal and customs policy. We are well aware of the consequences that this delay will have. Two options could operate in the future—either the scrupulous work on the 1994 budget (during which it will be necessary to make substantial changes to tax and budget legislation) will continue, or work on the budget will be concluded as quickly as possible and attention turned to implementing fiscal and customs reform and to preparing the 1995 budget on time. Both of these things cannot be done at the same time. If the first option is followed, the annual budget will be adopted only late in the fall and Russia will go into 1995, once again, without a budget. In the second instance we would lose a little as regards the current budget, but we would prepare properly for 1995.

The budget's clear deficiencies include clearly overstated levels of tax revenue, traditionally understated expenditure on education, health care, science, culture, and social welfare, huge amounts of administrative expenditure, and the retention of many unjustified tax and customs concessions. The budget was drawn up on the basis of a proposal on the need to repeal many articles of laws and paragraphs of edicts and decrees that are leading to increased spending. These laws, edicts, and decrees should now be altered or suspended. In order to imagine how unwieldy this work will be, we need only mention that it was initially proposed to alter almost 100 documents involving around 90 trillion [rubles] in expenditure.

The two weeks spent on finalization were not wasted by the government. Numerous additional materials and calculations envisaged by the law on the foundations of the budgetary system and the budgetary process were sent to parliament. Draft amendments have been made to existing legislation. Individual features of the budget have been altered. The proposed amounts of revenue from excise duties on consumer goods have been lowered. The government has recognized that it is impossible to levy a 35-percent excise duty on machines produced. By repealing concessions and doing a better job of collecting taxes it is planned to increase revenue from import-export duties by R2.4 trillion and to increase targeted levies for the provision of financial aid to the agro-industrial complex and the coal industry by R1.1 trillion. It is additionally planned to obtain R1 trillion from privatization and R1 trillion from oil excise duties.

More than R9 trillion will additionally be channeled into agriculture, of which R2.4 trillion will be used for capital investment in targeted programs such as "Baby Food," "Sugar," and so forth; and it is planned to allocate R5.6 trillion for the creation of federal and regional food funds. The principle of food being purchased at home rather than abroad will finally be laid down. Spending on television, radio broadcasting, support for the periodical press, health care, and youth policy will be increased.

But even the government-amended version of the budget conceals major problems. The most obvious is the increase in the budget deficit. Income has increased by R3.8 trillion, spending by R10.2 trillion, and the deficit by R6.4 trillion to stand at R68.8 trillion (9.5 percent of GDP). This is a huge figure. The deficit is far more than R1,000 per day for everyone in the country, including the old and infants. The sources used to fund it are mainly inflationary—Central Bank credits of R44.4 trillion and R19.3 trillion in foreign loans.

Nonetheless, the proposal from the "Yabloko" faction to increase the deficit to 43-45 percent of spending is a powerful one. With the planned level of income this would come to more than R93 trillion. There is no way to fund this deficit apart from bank loans, and this means that instead of last year's R10 trillion, we would have to borrow R70 trillion from the Central Bank this year. There would be another cascade of worthless bank notes without any backing whatsoever, and prices would skyrocket.

The purposes for which it is proposed to use the additional funds are very attractive—structural changes to the economy and increased financial support for the regions. But are they feasible? Suppose the state once again, as in the days of old, were to distribute another R20 trillion in capital investment to "priority" and "key" sectors—what then? Would we have to send out armed men to guard every ruble? Remember the archetypal example of the "GAZ" Plant, which used its tax concessions not for investment but to buy vouchers. With inflation and with salaries constantly having to be paid, who will voluntarily invest money if there is little chance of making a profit?

The territories undoubtedly need help. And it is correct if we are pursuing a policy based on the principle of "take from whoever has anything left and give to those who shout loudest." The Finance Ministry wants to

switch to transfer payments worked out on the basis of a single method. Except that there is one coefficient that would be out of place. In order to determine whether a region needs subsidies, it will now be necessary to compare per capita income in the given territory with Russia as a whole, and if the territory figure is higher than the Russian figure the region will get no subsidies. But prevailing price levels are not taken into account. For instance, if per capita income is R200,000 in Russia as a whole, R199,000 in Krasnodar Kray, and R201,000 in Krasnoyarsk Kray, then Krasnodar Kray will get the money—and the fact that budget expenditure should objectively be higher in the North will not be taken into account.

The State Duma committees' conclusion about the draft budget proposes retaining at last year's level the proportion of funds transferred from federal budget funds to territories' budgets, as well as the proportion of taxes and imposts retained by Federation component budgets. At first glance this looks right, but there are serious objections. First, the budget simply does not have this money. Second, if funds are sought by increasing the budget deficit, price growth will just "eat up" the entire benefit of the extra money. Third, we cannot retain last year's unfair distribution system, whereby funds were collected from a handful of industrial territories and distributed among most of the other Federation components.

We need to make substantial amendments to both the revenue and expenditure sides of the budget. The main thing in our further work on revenue is to prepare for tax reform. To my mind, the approach should be extremely simple. First and foremost, we need to abolish existing individual concessions—this mainly applies to exports of goods. We need to step up tax organs' work in collecting taxes—above all, in the trading sphere and those sectors of the economy where "black cash" (that is, money that is unaccounted-for) traditionally looms large. Distributing taxes equally among all payers will make it possible to lower tax rates. It is time to get rid completely of the taxation of profits used for investment. We can only welcome the government's resolute steps in respect of the state monopoly on liquor and tobacco products. It is time to increase tax on individuals' excess income and, on the other hand, to restore the former tax-exempt status of certain amounts of material aid, prizes, and gifts. Nor should concessionary travel be taxable. How are we to explain to pensioners that they should pay out almost their entire pension in taxation on free travel?

Serious changes are also needed on the expenditure side of the budget. First and foremost, we need a careful and planned reduction in spending on the bloated administrative apparatus—there are some clearly unrealistic targets [obyekty] in the investment section as well. On the other hand, the problem of reforming the wages system has not been resolved and there is no funding for a whole host of highly important social and cultural projects. The Army and defense enterprises also need support.

Yeltsin Signs Edict on Sale of State Enterprises

LD0206162194 Moscow ITAR-TASS in English 1604 GMT 2 Jun 94

[Text] Moscow June 2 ITAR-TASS—Russian President Boris Yeltsin has signed a decree ordering the sale of the state-owned enterprises unable to pay off their debts.

The decree is signed to promote the realization of the state policy aimed at preventing bankruptcy and negative social effects associated with the reorganization and liquidation of insolvent enterprises, should they be declared bankrupt.

The decree goes into effect from the moment of its publication.

Chernomyrdin, Regional Officials Discuss Privatization

PM0206090394 Moscow ROSSIYSKIYE VESTI in Russian 1 Jun 94 p 1

[Nikolay Gorlov report: "Ruble Will Replace Voucher"]

[Text] "There is a possibility of a fundamental change in the macroeconomic situation," Russian Federation Prime Minister Viktor Chernomyrdin said yesterday at a conference of administration heads at the Russian Federation Government. The Constitution itself and the packages of presidential economic edicts that were signed last week provide the legislative preconditions for this.

"The crisis has peaked," V. Chernomyrdin pointed out. The government's task in 1995-1997 should be to definitively improve the economic situation; that is, bring reform into the sphere of production. However, a base for this has already been prepared. This is illustrated by the figures for the growth in production and the emergent stabilization of the ruble (in particular, the gradual reduction in inflation rates and the reduction in Central Bank refinancing rates, the prime minister said.

According to V. Chernomyrdin, Russia's regions have always acted as the motive force of reform. That is why the conference with their leaders is devoted to examining such issues as measures to complete check privatization and also to discussing the Program for the Privatization of State and Municipal Enterprises After 1 July 1994 and the new Russian Federation Land Code.

The voucher as a means of payment will disappear into oblivion after 30 June this year—the end of the first phase of check privatization—Viktor Chernomyrdin stressed.

Despite some complacency at local level, the prime minister noted in his speech, privatization checks' period of validity will not be extended. Today it is necessary to structure work in the localities so as to ensure that there are as few checks left as possible—as souvenirs.

During the new post-check phase, the head of the Russian Government noted, investment will resolve everything. Viktor Chernomyrdin described as unviable some regions' requests for special rules of privatization for themselves. The transfer of Russian state property into private hands will proceed within a single, indivisible legislative area. What is more, in order to prevent possible abuse, state bodies' supervision of privatization for money will be stepped up, Viktor Chernomyrdin stressed in particular.

It was noted at the conference that the check phase of privatization has by and large been successful. There have generally been no problems in those areas where the local authorities have taken a serious approach to the work. However, there are regions where the population still has a considerable number of unredeemed privatization checks on its hands. In some areas there are objective difficulties, for instance, in the North Caucasus. In Moscow privatization has effectively been suspended by decision of the local government. Leaders in Kemerovo, Ulyanovsk, and a number of other oblasts and Khabarovsk and Maritime Krays hoped that the government would ultimately find a way of "soaking up" citizens' privatization checks that have not been redeemed through the fault of the local administrations. These leaders will have to resolve the possible ensuing social conflicts themselves. At the same time those regions where privatization has been protracted for objective reasons will be offered assistance in the final stage, primarily by broadening opportunities for vouchers to be exchanged for investment fund shares.

The conference also discussed the program for the next phase of privatization. It has been formulated with consideration for proposals from the regions and has absorbed all the best of what has been tested at local level. In this respect Moscow, Nizhniy Novgorod, Sverdlovsk, Chelyabinsk, and Yaroslavl Oblasts are working creatively. People there are not waiting for instructions from the center on everything but are seeking their own solutions on questions pertaining to the management of property, the allocation of funds from privatization, and the acceleration of privatization processes.

The new program takes into consideration the regions' main complaints. They related primarily to understated property valuations, low revenue from privatization, overly large concessions for labor collectives. During the second phase privatization will be implemented solely in return for money. The estimated cost of facilities undergoing privatization will rise tens of times.

In terms of the amount of property to be privatized the second phase of privatization is comparable to the first. The fate of both major industrial enterprises and facilities in municipal ownership will be decided during this phase.

Luzhkov Views Privatization as Widespread Failure

LD0206161194 Moscow ITAR-TASS in English 1424 GMT 2 Jun 94

[By ITAR-TASS]

[Text] Moscow June 2—"Voucher privatisation has failed not only in Moscow, but in all the Russian regions. It has not been successful because the authors of the programme were pursuing political, not economic goals," declared Moscow Mayor Yuriy Luzhkov at a press-conference in the Moscow government building on Thursday. According to the mayor, the founding of voucher privatisation on the "dictates of the Federal State Property Managing Committee" was not fair to the regions of the Russian Federation.

Luzhkov noted that the government never received the expected inflow of funds from the privatisation programme. Over the last two and a half years, according to Luzhkov, the capital's budget gained only a "ridiculously small sum" from privatisation, 52 billion roubles. The most convincing evidence that the privatisation programme is a failure is that even today there is no class of property-owners in the country as a whole and in Moscow in particular.

The capital's mayor said that the current market value of one voucher, 30 thousand roubles, is way under the minimum value of half a million roubles a voucher should have if inflation is taken into account. He called that proof of the public's mistrust of the privatisation programme. Five hundred thousand roubles is the real value of one one-hundred-and-sixty-millionth part of the country's wealth, said Luzhkov.

"I will be happy to go to the procurator," the mayor said in comment on Prime Minister Viktor Chernomyrdin's letter of May 26 which demanded that Luzhkov cancel within three days his ban on the registration of joint stock societies in Moscow.

According to Luzhkov, the complaints which State Property Committee Chairman Anatoliy Chubays has lodged against the Moscow government in connection with the failure of privatisation in the capital are based on the desire "to avoid responsibility for privatisation's catastrophic results for the Russian economy and to find a scapegoat."

Chubays Sues Luzhkov Over Privatization Law Breaches

MK0206093094 Moscow KOMMERSANT-DAILY in Russian 2 Jun 94 p 3

[Yelena Kotelnikova, Yekaterina Zapodinskaya report in the "Chubays Versus Luzhkov" column: "The Vice Premier Has Made Good on His Threat"]

[Text] Yesterday the secretariat of Acting General Prosecutor Aleksey Ilyushenko began consideration of a

letter from Vice Premier Anatoliy Chubays over gross violations of the privatization law by the Moscow mayor and government. This development opens a way to resolving the conflict between Chubays and Luzhkov within a legal framework. However, the length of the examination (not less than a month, according to prosecution officials), as voucher privatization is drawing to a close (1 July), reduces the practical value of its results for the victims.

According to an official source in the General Prosecutor's Office, Chubays' letter will shortly be given for study to Deputy General Prosecutor Sabir Kekhlerov, who oversees in particular the preparation of arbitration suits in court. The source also said that in all likelihood, consideration of the "Luzhkov case" will continue for more than a month (one month under the law) because "a huge number of documents" and even verbal instructions from the mayor will have to be analyzed. As a result, on each unlawful decision by the Moscow authorities with respect to privatization, suits are to be prepared on annulling all illegal deals.

By going to court, therefore, Chubays made good on his recent threat to take measures to countermand a number of Luzhkov's recent resolutions limiting the conduct of voucher privatization in Moscow. Regardless of decisions by the General Prosecutor's Office, Chubays' move can even now yield some political dividends.

First, the chairman of the State Property Management Committee has received an opportunity to distance himself officially from the "catastrophic" (according to Chubays) consequences of privatization in Moscow which, he believes, will lead to "a major social explosion on 30 June."

Second, Chubays has relieved himself of the energy-consuming occupation of the chronic theoretical dispute with efficient economic manager Luzhkov about the harm and usefulness of voucher privatization for the people and Russia.

Third, by taking such a step, the head of the State Property Management Committee has reminded that voucher privatization has a legal basis (in contrast to the "special" Moscow privatization program) while his (Chubays') department is responsible only for the quality of its execution.

All this also responds to Chubays' objectives to demonstrate to President Boris Yeltsin and Premier Viktor Chernomyrdin that he is in full control of the privatization process. This is especially pertinent since the completion of the final round of privatization stimulates the activity of the vice premier's opponents who call for his resignation.

Judging by Luzhkov's recent statements, he is ready for retaliatory action with respect to Chubays, the author of the privatization "fraud" (according to Luzhkov). In particular the mayor has expressed his readiness "with great pleasure" to arrive at the prosecutor's office together with Chubays where he intends to explain that "property must be sold, not wasted away, as is now happening with Chubays-style privatization."

Presumably at today's press conference Yuriy Luzhkov will acquaint journalists in some detail with his countermeasures.

Russia Denies Intent To Veto Caspian Oil Development

LD0206183694 Moscow INTERFAX in English 1732 GMT 2 Jun 94

[Text] Russia has never intended to veto the development of Caspian off shore oil deposits, a senior Russian government official, responsible for the oil and gaz complex told the Oil Information Agency on Thursday.

In his words, national interests in the Caspian region will be protected by developing the network of export oil pipe-lines and by helping Russian companies to consolidate their position on oil markets.

"Charges that Moscow is striving to dominate or assume some exceptional rights to develop Caspian oil deposits are ludicrous and disregard one simple fact: the bulk of the oil extracted on the shelf will all the same be exported across the territory of Russia," the official said.

He described as "a campaign coordinated in favour of western firms" press reports that Russia is demanding the right to veto the Caspian shelf's development.

The British newspaper Financial Times has reported with reference to Russian government sources that in a confidential letter to London Russia's Foreign Ministry made it clear that a sanction from Moscow is essential for implementing all Caspian shelf projects.

Gerashchenko Promises Wider Access for Foreign Banks

PM0206151694 Moscow IZVESTIYA in Russian 2 Jun 94 p 2

[Ivan Zhagel report: "Foreign Banks Will Have Wider Access to Russian Financial Market"]

[Text] Viktor Gerashchenko, chairman of the Central Bank of Russia, has stated that decisions will be adopted by 8 June to extend the opportunities for foreign banks to penetrate Russia.

It is well known that last November such opportunities were substantially restricted by a presidential edict. A kind of veto was imposed not only on the registration of new branches of foreign credit institutions, but also on certain transactions by banks already existing in Russia. It is no secret that this decision was adopted in response to demands by our own bankers, who were afraid of an unequal competitive struggle. But for every action, as is well known, there is a reaction.

According to V. Gerashchenko, foreign states promptly made access to their own financial markets tougher. For Russian banks it became an insoluble problem not only to open branches abroad, but even offices. In addition, the prohibitive measures on our side were assessed negatively by international financial organizations, and at the moment, in view of our need not only for new credits but also for the deferral of debt repayments, it is quite inappropriate to quarrel with them.

However, the forthcoming simplification of access to our financial market does not mean that the registration of foreign banks will now take place more or less automatically. Last year the Central Bank imposed a so-called "limit on participation by foreign capital in the country's banking system," namely 12 percent. This means that the total capital of branches of foreign banks as a proportion of the gross capital of all banks on Russia's territory must not be more than that level.

As of today this quota is virtually exhausted, so the registration of new branches of foreign banks is highly problematical. But this restrictive measure appears more intelligent than a simple ban, and it is not causing a negative response among international organizations. V. Gerashchenko confirmed that the "limit on participation by foreign capital in the country's banking system" will be maintained, although the level could be adjusted. That is, the process of foreign banks' penetration will be controlled.

Incidentally, V. Gerashchenko, making all these statements at a specially arranged press conference, did not omit to reproach "certain journalists" for trying recently to represent him as in some way opposed to the president's much-publicized edicts in the sphere of economic policy. According to him, the documents were prepared with the Central Bank's participation, and he simply could not be opposed to them.

V. Gerashchenko not only confirmed his commitment to the radical economic edicts, but make equally radical subsequent statements. For instance, he noted that this very week the Central Bank board of directors may adopt a decision on a future lowering of the interest rate on centralized credits, which will certainly have a beneficial effect on investment processes. On the other hand, he came out categorically against using coercion on commercial banks in the setting of their interest rates, since "nothing useful can come of that"—cheap credits are simply squandered.

Finally, V. Gerashchenko promised that the practice of auction sales of centralized credit resources will be extended and in the near future such auctions will be held every two weeks. Regular, open dealings in credit resources will help people to form a clearer idea of how much money costs in our country.

And aother important question was raised at the press conference. Many people wanted to know how to interpret the section of the president's edict on the normalization of accounts which states that "legal entities may obtain monetary resources from the bank for pressing needs to the tune of...up to five times the minimum monthly wage, depending on the total average listed number of workers." V. Gerashchenko explained that enterprises can reserve this sum even before the payment of funds into the budget, so as to offer at least some support to their workers. And those who fulfill their commitments to the state can take out money for wages in the necessary quantities.

Number of Strikes Rise Tenfold From 1993

MK0206112094 Moscow NEZAVISIMAYA GAZETA in Russian 2 Jun 94 p 4

[Unattributed RIA report in the "In Brief" column: "The Number of Strikes in Russia Is Growing Fast"]

[Text] The number of strikes in Russia in the first quarter has increased 10.3 times compared to the same time last year. They occurred at 288 enterprises, whereas in all of 1993, 264 concerns were affected. This was announced by Tatyana Frolova, secretary of the Federation of Independent Trade Unions of Russia [FITUR], who spoke at a session of the FITUR Solidarity Action Coordinating Committee.

Among the main reasons for the strikes, Frolova cited the federal budget's indebtedness, chronic delays in wage payments, the absence of a mechanism for mutual settlements, a growth in unemployment, and continuous increases in prices for foodstuffs and basic goods. Workers' action has been highest in the Komi Republic (Vorkuta), western Siberia, and Kemerovo, Tula, and Rostov Oblasts.

Military & Nuclear Issues

Upper House Approves 55-Trillion-Ruble Defense Budget

LD0206181094 Moscow INTERFAX in English 1630 GMT 2 Jun 94

[Text] The increase in Russia's military expenditures from 37 to 55 trillion rubles reflects the Defense Ministry's factual expenses taking into account its debts accumulated over the last five months, deputy chairman of the parliamentary committee for defense, Aleksandr Piskunov said today.

As has already been reported, the Federation Council (the upper house of the Russian parliament) voted in favor of increasing the defense expenditures to 55 trillion rubles Thursday.

"Either we openly admit that the expenditure will be that high, or we will end the year with a debt of 18 trillion rubles," Piskunov said in an interview with Interfax.

Piskunov believes that the Defense Ministry should develop a program for the optimization of its expenses, structure and personnel in the near future.

Admiral: Experts Assessing Black Sea Navy

LD0206153094 Moscow ITAR-TASS in English 1341 GMT 2 Jun 94

[By ITAR-TASS special correspondent Vladimir Gondusov]

[Text] Sevastopol June 2 TASS—"A team of naval experts is now gauging the strength of the Black Sea navy, especially its warships. They are trying to determine the necessary parameters for the division of the fleet, including the classes of vessels and their technical conditions," Commander-in-Chief of the Russian Navy Admiral Felix Gromov told ITAR-TASS. He noted that this was not a meeting of two delegations, but the work of experts. It is not running very smoothly, because it is necessary to study every vessel.

Touching on his meeting with Commander-in-Chief of the Ukrainian Navy Admiral Vladimir Beskorovaynyy, Gromov said that the sides had some uncoinciding points of view and that everything should be done to achieve mutual understanding.

Dwelling on the anxiety of servicemen, members of their families, workers and employees of the naval garrisons concerning their future in connection with the fleet's division, Gromov noted that all the necessary documents were now being discussed and studied. "If a decision is made today on this or that question, this will not mean that everything will be carried out tomorrow," he stated. The admiral believes that the process will continue for quite a time and its main task will be to avoid harming people and the navy as a whole.

Asked by ITAR-TASS to comment on the situation in the Pacific Fleet after the dismissal of its commander Georgiy Gurinov, Gromov replied: "A very grave accident had occurred on the Pacific Fleet and nobody could expect it to be left unnoticed or without corresponding serious decisions. A commander bears full responsibility for the situation in his fleet."

Treasury Says Order on Officer Housing Unfundable

PM0206114394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 2 Jun 94 p 1

[Own Information report: "Homeless Officer More Dangerous Than Partisan"]

[Text] There are over 7,000 servicemen without apartments in Moscow today, most of them senior officers from Defense Ministry main and central directorates.

In January 1994 Defense Minister Pavel Grachev asked Boris Yeltsin to allocate 28 billion rubles to ensure the minimum improvement in the provision of housing for high-ranking Moscow officers and generals. Yeltsin instructed Premier Viktor Chernomyrdin to allocate the required amount. Chernomyrdin redirected the document to the Finance Ministry, which told the military 20 April 1994 that there is no money for housing.

Under the Soviet authorities high-ranking servicemen waited for housing in the capital for two years at most. Now there are 102 generals and admirals alone in Moscow without housing. Russia-wide there are 169,700 officers without apartments.

New Nuclear Submarine Begins Static Tests

PM0206082794 Moscow KRASNAYA ZVEZDA in Russian 28 May 94 p 1

[Vladimir Gundarov report: "Kursk Launch Ceremony"]

[Text] Static tests of the Kursk, a new nuclear missile submarine, began at Severodvinsk on 23 May. Captain First Class V. Rozhkov has been appointed its commander.

As Ivan Vasilyev, the senior official responsible for the order, has noted, the nuclear powered vessel has a number of improvements, including in its navigational systems package, and the crew's living conditions have been improved. The new nuclear-powered vessel will go into service with the Russian Navy next December.

Production of TU-160 Strategic Aircraft Discontinued

LD0306083694 Moscow 2x2 Television in Russian 0730 GMT 3 Jun 94

[Text] The Gorbunov aviation production association in Kazan has discontinued production of missile-carrying strategic TU-160 aircraft, the POSTFAKTUM-AERO agency reports. Each of these aircraft cost several billion rubles. A number of them manufactured recently have not yet been paid for by the army and are still at the enterprise's premises.

Nuclear-Powered Ships Continue To Be Needed

PM0206160394 Moscow KRASNAYA ZVEZDA in Russian 28 May 94 p 4

[Interview with Nikolay Khlopkin, director of a Kurchatov Institute department, by Mikhail Rebrov; place and date not given: "Nuclear-Powered Ships Are Sending Out an SOS, But There Will Continue To Be a Nuclear-Powered Fleet"]

[Text] **From KRASNAYA ZVEZDA Files**

Nikolay Sidorovich Khlopkin. Born in 1923. Served during the Great Patriotic War, wrote his name on the Reichstag, and was badly wounded. Has devoted his working life to nuclear-powered ships. Has been at the Kurchatov Institute since 1949, starting as a laboratory assistant with diploma and now director of a department. He is a professor, an academician, Hero of

Socialist Labor, and winner of Lenin and State Prizes. His colleagues say: "From day one through today in nuclear-powered ships—surface and submarine, civilian and military." He himself says: "It is interesting work, a long and difficult quest whose purpose is to arrive at reliable simplicity having mastered the incomparably complex."

[Rebrov] Nikolay Sidorovich, the first nuclear-powered submarine went on alert status three and a half decades ago, and a year later the first nuclear-powered icebreaker was put into service. Nowadays the attitude to these events is contradictory and sometimes even negative....

[Khlopkin] Our time is full of contradictions generally. Anything and everything is criticized without sufficient argumentation. It would be naive to claim that nuclear energy does not have its dark aspects. But how can the tasks facing the Navy be resolved without it? Only nuclear-powered submarines are able resolve the tasks facing them without surfacing during an entire autonomous patrol. Without nuclear-powered ships, how can the northern sea route be turned into a permanently operating highway?

The logical development of naval nuclear power engineering depends to a considerable extent on the country's financial resources, which must be used intelligently.

[Rebrov] Sadly we have still not learned how to count money. Or more precisely how to weigh up the options in order to see a realistic prospect. But to go back to submarines: What was done during those years?

[Khlopkin] Many things. Although even for the first craft it was possible to develop a totally unorthodox construction—I mean the scaled-down large unit. This was done under the guidance of Academician A.P. Aleksandrov. Many solutions found here proved extremely successful and were utilized in subsequent projects....

Thanks to the powerful compact units, as a rule our craft now have higher speeds than foreign equivalents, although inferior to them in terms of undetectability. As early as 1970 we had nuclear-powered ships with an underwater speed of over 40 knots. A further reduction in the noise generated by warships is expected, which will ensure that their actions are undetected. Comprehensive acoustic design will become an essential integral part during the development of new submarines, whereby design decisions are aimed at reducing acoustic emissions as much as possible. In other words, a submarine must be a kind of acoustic "black hole" in the sea which cannot be detected by any means.

I am giving only my personal opinion. Quiet craft with powerful fourth-generation units have been developed. Concepts for fifth-generation units are being developed....

This is no easy task. There are prospects of replacing the propeller with a water jet and switching to full electric propulsion, similar to that used in diesel submarines. It is worth mentioning another type of electric propulsion—without a propeller or water jet. The ship's motile thrust is created by passing a current through sea water in strong magnetic fields. Such an engine needs superconductor cables, ultrahigh magnetic fields....

[Rebrov] Nikolay Sidorovich, what main directions can now be seen for science here?

[Khlopkin] There are several such directions. Safety in naval power engineering is out in front. Increasing the reliability of units and auto-protection of their reactors by creating negative feedback in the core, eliminating coolant losses, creating additional barriers to prevent the emission of radioactivity.... This are only some of the measures aimed at eliminating both accidents themselves and their effects.

Safety at sea has its own specific characteristics. Because a reactor on a ship is not only a source of danger but also a means of saving the ship in an emergency.

After that comes the search for new fields in which to use and improve nuclear power. There is a multitude of interesting prospects here. To some people they might seem unrealistic. But in the late forties a nuclear-powered submarine was considered a fantastic idea.

We should make special mention of the controls. Anatoliy Petrovich Aleksandrov demanded that it be as simple as a car's—you step on the gas, take your foot off the gas.... And such a reactor was constructed. If the flow of feed water is increased the reactor's capacity increases, if it is reduced the capacity falls. This is without any adjustment to the absorbers which govern reactivity.

[Rebrov] You have mentioned technical measures. But there is also the human factor....

[Khlopkin] Yes, and it is of very great importance. Here I am referring not only to errors by the operator at the control panel in a stressful situation. The question is broader. The entire system of controlling safety is being examined in order to eliminate the possibility of making incorrect decisions at the planning stage and to prevent a low quality of equipment production and unsatisfactory operation. This is a very complex problem, but it is soluble.

Questions which need to be solved by the scientists include ecological questions. Not only in the operating process but also when reactors are taken out of operation.... The strictest control is important here. We have developed highly sensitive equipment to research sea water radioactivity. It was used to inspect the sunken Komsomolets submarine. This is the result: The discharge is less than 0.1 curie per year. A few meters away from the boat's hull the level is so low that it is undetectable.

[Rebrov] The nuclear-powered ships are sending out an SOS, equipment is getting old, appropriations are being

reduced, shipyards are idle. The same thing is heard all over: conversion, conversion.... But words and deeds do not always coincide. How do matters stand as far as you are concerned?

[Khlopkin] There is much that is contradictory here. Not in the idea itself—it is indisputable. Conversion is not only a consequence of disarmament but also something that stimulates it. There is a multitude of questions here: scales, deadlines, state support, the consistency and considered nature of programs.... Conversion.... Back then we did not even know such a word, but we started to get involved in it around 40 years ago. Nine civilian nuclear-powered ships have been built, a tenth has been launched. Incidentally, if we are talking about sensible approaches, it makes sense to replace today's diesel icebreakers with nuclear-powered ships as they exhaust their service life,. This will be cheaper for Russia. For a number of reasons shipyards are empty, but apparently if they are filled with orders we give these orders for icebreakers to foreign firms. I can illustrate the correlation of prices with this example: The Taymyr, with a single-reactor unit, was constructed jointly with Finland at a cost of 140 million dollars. The Sibir, with a more powerful two-reactor unit, was constructed here at a cost of 120 million—rubles!

Another example is floating AES's [nuclear electric power stations] to supply heat and electricity to northern coastal cities and mineral mines. In this case the extent to which the construction site has to be developed is far less, and the area of confiscated land is less. These AES's can be relocated at any time....

We have developed unique small power units which are without equal in the world. They have no moving parts, and the current is generated without turbines—by a thermoelectric generator which works off the nuclear reactor. Self-regulating thermoelectric stations with minimal maintenance have been designed to supply electricity to small settlements and military compounds. A heat capacity of up to 5 megawatts and an electric capacity of up to 150 kilowatts can be delivered, and the service life is up to 25 years.

Another example. The "Rosshelf" joint-stock company has been set up. It proposes to use defense sectors' potential to carry out oil and gas extraction on the continental shelf. The initial development of workings in areas with icy conditions, where vast reserves of hydrocarbons have already been discovered, could be carried out with the aid of nuclear-powered icebreakers. They will provide the workings with electricity and protect them from ice. Surveying deposits, mapping the bottom, and choosing pipe-laying routes can be done by submarines.

Nuclear units are successfully solving the problem of desalinating water, their use in space is extremely promising, and they are being eagerly bought abroad. In short, the peaceful atom is not just a phrase but a fact.

[Rebrov] Currently the following question is being heard increasingly frequently: Is it necessary, when disarmament is in progress, to improve warships and their power units? Because the country is becoming poor....

[Khlopkin] Yes, a considerable reduction in the Navy is now under way. Orders for new nuclear-powered ships are being sharply reduced. Some of them, unfinished, are being turned into scrap metal. This is happening not only in Russia but in other countries too. But let us once again proceed from realities: War, as the last means of resolving conflict situations, has not been excluded from consideration by a single state. Russia is a maritime power, and its Navy is 300 hundred years old this year. It was Russia's glory, guaranteeing its security, and it must remain so now. It is another matter that a sea power's naval might is determined not so much by the number of ships as by their combat qualities. Admiral Makarov's motto "Remember the War" still holds well.

[Rebrov] A last question, Nikolay Sidorovich. You were at the front. What was the most memorable thing in those years?

[Khlopkin] The war itself. With its horrors, its losses, and blighted fates, but also the joy of victory.... The war ruthlessly displaced customary concepts, turning people's lives into another dimension, sometimes inconceivable in its tragedy. The last terrible battle was 1 May 1945, when our division was holding back the avalanche of German divisions going into Berlin from the east. We hung on.... Then there was the meeting with the Americans, but that was over the Elbe.... I took off my greatcoat with a captain's shoulder boards in 1945; since when I have been a civilian and have been greatly involved in civil matters. But Russia's military interests are dear to me, which is why I say: There will continue to be a nuclear-powered fleet! At the moment there is simply no alternative to nuclear power for the ocean submarine fleet.

Air Defense Anti-Terrorist Role Viewed

PM0206152794 Moscow KRASNAYA ZVEZDA in Russian 1 Jun 94 p 2

[Interview with Lieutenant General of Aviation Yevgeniy Makoklyuyev, first deputy chief of the Air Defense Forces Main Staff, by Aleksandr Ivanov; place and date not given: "Air Defense Indicates Where to Capture Terrorists. The Press Has Never Written About the Role of the Air Defense Forces Men and Equipment in Disarming Air Terrorists. Although Not a Single Case of Clamping Down on Air Piracy Has Occurred Without Their Participation"]

[Text] Every time such a situation occurs, a task force is formed at the Air Defense Forces high command. Its leader, Lieutenant General of Aviation Yevgeniy Makoklyuyev, first deputy chief of the Air Defense Forces Main Staff, spoke to our correspondent about how it works.

[Makoklyuyev] Let us recall last Friday.... The latest terrorist act in the Mineralnyye Vody area. At 0900 an A-50 radar patrol airplane took off from the Privolzhskiy airfield. It was faced with the task of reinforcing the radar intelligence system in the North Caucasus region.

That was the moment when the air defense men and equipment began their most vigorous actions to discover the exact route taken by the helicopter containing the terrorists and the hostages that had been taken, determine the landing site, and, if need be, quickly send raiding parties into the area.

The alert forces located in the area of the criminals' supposed flight were brought to Alert Condition One, an extra 10 radar subunits were involved, and mobile low-altitude platoons were taken out to the position areas. I would observe that this was done in a very short space of time. All the information about the helicopter's flight was processed by an air defense task force in Rostov headed by Lieutenant General Nikolay Kurochkin and was then sent to the Air Defense Forces Central Command Post. The information received was sent minute by minute to the Ministry of Internal Affairs task forces in Rostov and Mineralnyye Vody.

These measures were necessary because we understood perfectly well that the criminals, using minimum flight altitudes, the mountainous locality, the weather conditions, and various maneuvers, would try to shake off the raiding parties that were following them in the air and then land and disappear undetected.

[Ivanov] That is exactly what terrorists did in the same region at the end of December of last year when they took some Rostov schoolchildren hostage.

[Makoklyuyev] Yes, they flew out of Mineralnyye Vody by military helicopter at the lowest possible altitude. The weather was terrible: There was fog, and a snowstorm was blowing. In a word, the helicopters carrying the raiding party lost view of the target. Who could have supposed that the criminals would land twice on the route, trying to get their bearings and, despite the visibility, which was practically zero, find a place near Georgiyevsk where their accomplices were evidently waiting for them. Having used up most of the fuel, they decided to return to Mineralnyye Vody. And they only flew out again after refueling the next morning....

At the same time, taking advantage of the poor visibility, the pilots made a landing not five km west of the village of Khasavyurt, as the terrorists were demanding, but about 10 km north. Then they took off again, this time for Makhachkala.

Our A-50 tracked the target for two days, passing on full information. It was practically only the air defense systems that registered all the criminals' maneuvers in the air and gave out precise details of where they landed, and they were were the first to furnish the Dagestan Ministry of Security with the information about the likely landing place, which made it possible to blockade the area in advance and end the operation successfully.

[Ivanov] But in the latest case the weather was favorable, and the tracking helicopters did not get lost....

[Makoklyuyev] Nevertheless we had a lot of trouble with the extremely short time frame. And it was not only the air defense forces that had this trouble. There was every justification for assuming that it was accomplices of the same criminals that had gotten down to carrying out the plan that was disrupted in December. As soon as the route was determined, the Ministry of Internal Affairs task force bore in mind that the terrorists might try to escape to Azerbaijan and beyond. Therefore, on the instructions of Colonel General of Aviation Viktor Prudnikov, commander in chief of the Air Defense Forces, who was in charge of all the air defense forces in this operation, we reported to the commander of the Azerbaijani air defense. We agreed the procedure for the helicopters to fly across their borders together with the raiding party and our A-50 airplane, as well as the actions that the alert forces should take against the intruder.

But the criminals landed in Chechnya, just as they had six months before. The air defense forces clearly determined the landing location, accompanied the helicopter all the time, and gave out the necessary information both to the Ministry of Internal Affairs organs and to the raiding party.

Hundreds of specialists from the radiotechnical troops, aviation, command posts, and the leadership of this branch of service were employed in making sure that the operation to save the people and disarm the criminals passed off successfully.

Policy on Handling Spent Nuclear Fuel Explained

PM0206103794 Moscow TRUD in Russian 28 May 94 p 8

[Answer given by A. Yablokov, chairman of the Interdepartmental Commission for Environmental Security at the Russian Federation Security Council, to a reader's question: "Will Russia Remain a Nuclear Dump?"]

[Text] Every now and then, newspapers report that nuclear waste from abroad is being dumped in Russia. Is our country really going to remain a nuclear dump for the whole world? (Sergey Gudkov, Podolsk)

[Yablokov] In accordance with agreements signed before 1992, nuclear waste is brought to Russia from certain European countries (Finland, Bulgaria), where nuclear electric power stations built with Soviet participation are in operation. And although the Russian Law on the Protection of the Natural Environment bans the bringing in, storage, and burial of nuclear waste (Article 50), the Ministry of Atomic Energy believes that this ban does not concern bringing in spent nuclear fuel for treatment,

since the intergovernmental agreements were concluded before the law was adopted.

There is no such intergovernmental agreement with Hungary. This one has been concluded at ministry level. Our commission believes that we are not obliged to take fuel for treatment from Hungary. We also believe that when it fulfills its commitments concerning the treatment of spent nuclear fuel, Russia should return the waste from the treatment to the countries it came from. That is also the State Duma's position.

An interdepartmental commission is now striving for a review of the concept of a closed nuclear cycle, which emerged during the arms race. This was necessary in order to obtain plutonium, necessary for preparing nuclear weapons, from the treatment of nuclear fuel. Now there is no such need. And it is sensible to store waste from nuclear electric power stations over a specific period in special storage pits and then bury it like normal radioactive waste, which is what the United States does, rather than treating it.

Federal Assembly

Federation Council Holds Debate on Russian Budget

LD0206104394 Moscow ITAR-TASS in English 1021 GMT 2 Jun 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow June 2 TASS—The Council of the Federation, upper chamber of the Russian Parliament, voted to complete the discussion of the 1994 federal budget in one hour, but even two hours were not enough for this. Chairman of the Chamber's Budget Committee Nikolay Gonchar told ITAR-TASS during the break that the mps would spend as much time on this problem as necessary. "This is the main item on today's agenda," he added.

Gonchar explained that the deliberations were held behind closed doors because the chamber was discussing defence allocations. "The search for compromises is proceeding against the background of a very keen debate, because everybody is short of money," he stated. The mps plan to offer the state duma, which approved the draft budget in first reading, to discuss anew several items in the spendings part of the draft.

"Faced with the choice of whether to have good relations with the government or to uphold the interests of the state, the mps will definitely choose the latter," Gonchar believes. He stressed that "there is no factional or political struggle in the upper chamber, but merely a dispute over regional interests". "We are apparently faced with the need to redistribute the available means, and this is a very painful process," he added. Gonchar also said that his committee was backing the stand assumed by the chairman of the Duma Committee for Economic Affairs Sergey Glazyev, but several economic acts were needed to implement his proposals and this would take time.

Defense Spending Increased to R55 Trillion

LD0206120894 Moscow ITAR-TASS in English 1137 GMT 2 Jun 94

[By ITAR-TASS correspondent]

[Text] Moscow June 2 TASS—The Russian Federation Council, which approved the key figures of the draft budget on Thursday, increased defence appropriations in 1994 from initially envisaged 37 trillion rubles to 55 trillion, according to First Deputy Defence Minister Andrey Kokoshin.

He told TASS by telephone that lawmakers adopted the decision mostly because the 37-trillion appropriations would mean a closure for many defence enterprises and mass unemployment.

Federation Council Approves Key Budget Figures

LD0206131394 Moscow ITAR-TASS in English 1130 GMT 2 Jun 94

[By ITAR-TASS correspondent Aleksandr Nechayev]

[Text] Moscow June 2 TASS—The Federation Council, the upper chamber of the Russian parliament, approved at its closed-door meeting on Thursday the draft 1994 budget as the basis for further discussions which are to be held in its committees, TASS learned from the press service of the upper chamber.

If the discussion goes as scheduled, Chairman of the Budget Committee of the upper chamber Nikolay Gonchar will address the lower house on June 8 with the results of the work. No other details were disclosed.

Federation Council Rejects Sending Troops to Abkhazia

LD0206154494 Moscow ITAR-TASS World Service in Russian 1447 GMT 2 Jun 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow, 2 Jun (ITAR-TASS)—The Federation Council today failed to give its backing to an appeal by the Russian president concerning the peacemaking operation in the Georgian-Abkhazian conflict area. This information leaked out of the Council chamber where the question is being debated behind closed doors today.

Boris Yeltsin's letter to the Federation Council stresses that the cessation of hostilities in Abkhazia and the signing of a cease-fire agreement and on separating the warring sides was achieved through the active involvement of Russia. However, the situation in the Georgian-Abkhazian conflict area remains "explosive". It has

become clear that "without the deployment of peacemaking troops it is not possible" to effectively monitor observation of the agreements and the return of refugees, the letter says.

The request to conduct peacekeeping operations in Abkhazia is contained in appeals by Shevardnadze and Ardzinba to the Russian Federation president in his capacity as chairman of the Council of CIS Heads of State. Boris Yeltsin's opinion is that peacekeeping would conform to the UN standards for this kind of action. The CIS heads of states' decision will be conveyed to the Security Council, which is being offered a UN observers' mission with the peacekeeping forces. It is remembered, the letter says, that "the basis for the CIS peacekeeping forces will be a reinforced contingent of Russian troops deployed at units already located in Georgia."

Boris Yeltsin said he hopes that the Federation Council "will support Russia's peacekeeping efforts within the scope of its authority." However, according to preliminary figures, when the decision was put to the ballot it gained one vote less than the required number.

Regional Affairs

Russia Denies Planned Nuclear Explosion in Chechnya

LD0106162194 Moscow ITAR-TASS in English 1607 GMT 1 Jun 94

[Text] Moscow June 1 TASS—The Russian foreign intelligence service denied Chechen President Dzhokhar Dudayev's allegations on Wednesday that Russian secret services are planning to stage a local nuclear explosion in the Chechen Republic.

"Such statements are absurd," foreign intelligence spokeswoman Tatyana Samolis said.

Dudayev said on Chechen television that following the failed attempt on his life, Russian secret services may stage a local nuclear blast. He also said that should this happen, they will then accuse the Chechen Republic, saying that it possesses a nuclear component.

Dudayev Hopes For Success of Moscow Talks

LD0206110294

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 0800 GMT on 2 June, in its "Novosti" newscast, carries a two-minute report by an unidentified correspondent that the authorities in the Chechen capital, Groznyy, are "earnestly" preparing for the coming talks with Moscow. The correspondent says that it is understood in Groznyy that disputes with Russia damage the republic's own interests.

The correspondent goes on to note that the rupture of the old economic ties have already caused considerable decline in production and many enterprises are barely making ends meet. He adds that wages cannot be paid because cash is in short supply. Nor is the situation likely to change until accounts held in the Russian banks were unfrozen, he says, adding that in the meantime people are engaging in all kinds of commercial activities. He notes that there are many soldiers on the streets, because "considerable numbers" are dissatisfied with the present regime, as evidenced by the recent attempt on the life of Chechen President Dzokhar Dudayev.

The report concludes with a brief interview with President Dudayev by the reporter. Asked what he personally expects from the talks with Moscow, if they take place, President Dudayev says:

"We expect positive results. Any talks should be positive in spirit."

'Khasbulatov Factor' Prompts Chechnya Push

PM0206095794 Moscow IZVESTIYA in Russian 31 May 94 p 4

[Nikolay Gritchin report: "From Chechnya Back to Government in Moscow?"]

[Excerpts] Groznyy-Moscow—The tragic circumstances surrounding the attempt on the life of Chechnya's President Dzhokhar Dudayev last Friday (during which Chechnya's internal affairs minister, his deputy, and his chauffeur died) are linked by analysts first and foremost with the authorities' vigorous actions to neutralize terrorists. When analyzing the situation more profoundly it is necessary to take due account of the fact that Russia has confirmed its intention to hold talks with Chechnya at the very highest level, even though this aroused the discontent of forces opposed to Dudayev. And, last but by no means least: Former Supreme Soviet Speaker R. Khasbulatov through his actions is declaring ever more ardently that he is a true politician, ready to involve himself in Chechen politics.

Traces of Former Russian Federation Supreme Soviet Chairman R. Khasbulatov's stay in Groznyy are hard to find. It was back in mid-April that I spotted the most recent mention of him in the leading republic newspaper ICHKERIYA. His trips around the republic, his visit to the mosques, the restraint of his speeches, and meanderings regarding his intention to stand back from the dirty business of politics and move into science, clearly placated Dudayev's team, usually extremely politicized and wary in respect of opponents.

M. Udugov, chief of the republic Department of Information and the Press, on the day prior to the 25 May publication in NEZAVISIMAYA GAZETA of an interview with the former speaker of the Russian Parliament on his return to Moscow, assured me that Khasbulatov still remains in Chechnya. While another of Dudayev's close comrades in arms resolutely consigned his famous compatriot to political oblivion. Obviously he was a little premature. Breaking the vow of silence, the erstwhile

prisoner of Lefortovo gave the current regime in Groznyy an unequivocal indication that he will outlive it. [passage omitted]

To the Political Olympus—In a Roundabout Way

The emerging prospects for Khasbulatov's return to power cannot fail to alarm the Russian president too. There is an awareness in the Kremlin that a second coming to the political Olympus by the speaker of the former Supreme Soviet is most likely to come via a roundabout route. The post of legitimate leader of Chechnya constitutes a sturdy launch pad for a return to top-level Russian politics. Experts suggest that, once on this platform, Khasbulatov will be able to convince his Chechen entourage of the need to sign a treaty with Russia, that he will be able to stage elections in the republic for the Russian Federation State Duma and Federation Council, present his candidacy for the Federation Council, and become a member of it.

For B. Yeltsin this would mean an inevitable strengthening of confrontation in the federal organs of power. The rise of national-patriotic sentiment, notably in the deputies' corps, makes the prospect of Khasbulatov's being elected Russian Federation president or head of the Russian Government unlikely in the immediate post-Yeltsin period. But his failure to countenance modern-day presidential authority in Moscow, which is reliant, to use his expression, "solely on the boys in uniform," will probably be exploited by the opposition in order to secure victory over Yeltsin and his supporters in future elections.

Such a prospect, in the opinion of a number of analysts, has provided additional impetus for the Kremlin's active quest for ways to settle the protracted conflict with Chechnya. The "Khasbulatov factor" reinforces preconditions for elaborating a mutually acceptable decision at the meeting between the two presidents. Experts assert that the Kremlin will probably propose several versions of a Russian-Chechen treaty. At the same time the Russian-Tatar agreement, which from Dudayev's viewpoint is unacceptable to Chechnya, may be seen merely as an example to be imitated in the most general sense—that is, as an example of a weighty solution to an insoluble dispute by bringing into circulation new political-judicial symbols and concepts, allowing the sides to get around discrepancies in their positions "without losing face."

In particular, national politicians consider it possible for Chechnya to devise some kind of status or level of soverienty unique in contemporary Russian practice (like the Portuguese "free affiliated state"), which, while preserving the external attributes of the Republic of Chechnya's state independence (with all the concomitant symbols, as is partly taking place even in respect of "regular" republics within the Russian Federation), would at the same time guarantee the most propitious opportunities for Chechnya's reintegration into the Russian political and economic area.

The implementation of this version, however, presupposes the achievement of prior agreement on this question between the two branches of power in Moscow, without which the presidential side may find itself subject to harsh criticism in the State Duma and the Federation Council for "capitulating" and "flouting the Constitution." The formation of favorable public opinion both in Chechnya and in Russia as regards concluding a compromise agreement could be aided by the establishment of close cooperation between the internal affairs bodies of the Chechen Republic and the Russian Federation in the fight against organized crime. The joint arrest of the terrorists who took a bus and its passengers hostage in Mineralnyye Vody could be considered a good start to this process. Even prior to the conclusion of a treaty, the aim could be furthered by a guarantee of the safety of rail and road traffic on Chechen territory, either by the Chechen authorities on their own or jointly with the Russian internal troops, as well as mutual guarantees of the safety and equality of the Russian-speaking population in Chechnya and the Chechen communities in Russia.

Ossetia Edict Seen as Ploy for Talks With Dudayev

PM0306094994 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 3 Jun 94 p 1

[Yakhyya Akiyev article under the "Hotspots" rubric: "Troops Approach Chechnya Border"]

[Excerpts] The tense situation in Ingushetia and North Ossetia has made its presence felt again. Admittedly, this time it was not through the recurrent exchanges of gunfire on the line of the Ingush-Ossetian confrontation, but in a document which came into being in the tranquility of Kremlin offices.

The Russian president has recently issued the Edict "On Implementing a State of Emergency on Part of the Territories of the Republic of North Ossetia and the Republic of Ingushetia." [passage omitted]

The implementation of a state of emergency, as we know, entails the stationing of Russian troops on the territories which "come under" the edict. A question arises—what is the main purpose of this act, which affects areas of "enhanced peace" rather than "enhanced tension"? Maybe the essence of the matter is the common border with Chechnya, where, according to the presidential edict, Russian Armed Forces have been concentrated since 30 May. Naturally, it would be more convenient for the Russian president to conduct talks with D. Dudayev, the possibility of which people are talking so much about, while keeping Groznyy in sight...

Ossetia-Ingushetia Emergency Zone Redefined

PM0206133594 Moscow ROSSIYSKAYA GAZETA in Russian 1 Jun 94 First Edition p 2

[Edict of the Russian Federation President "On the Introduction of a State of Emergency in Part of the Territories of the Republic of North Ossetia and the Ingush Republic"—Moscow, Kremlin, 30 May, 1994, No. 1112]

[Text] In connection with the persistence of the tense situation in a number of regions of the Republic of North Ossetia and the Ingush Republic, the need to bring about the return of refugees and forced resettlers to their places of permanent residence, and the need to implement a package of measures to eradicate the consequences of the armed conflict for the purposes of ensuring state and public safety, as well as in the light of Article 88 of the Russian Federation Constitution, the RSFSR Law "On the State of Emergency," and the Russian Federation Law "On Safety," I decree:

1. That the state of emergency in part of the territories of the Republic of North Ossetia and the Ingush Republic, introduced via the 4 April 1994 and 27 April 1994 edicts of the Russian Federation president No. 657 and No. 836, be abrogated as of 1400 hours 31 May 1994.

2. That, guided by the RSFSR Law "On the State of Emergency" (Article 4.9), a state of emergency be introduced on the territories here listed as of 1400 hours 31 May 1994 through 1400 hours 31 July 1994:

The Republic of North Ossetia: Mozdokskiy Rayon (with the exception of the inhabited localities of Telman, Yelbayevo, and Sadovyy), Pravoberezhnyy Rayon (the populated areas of Staryy, Batakoyurt, Zilga, Olginskoye, and Vladikavkaz Airport), Prigorodnyy Rayon (the settlements of Mayskiy, Chermen, Komgaron, Tarskoye, Kurtat, Oktyabrskoye, Kambilevskoye, Dachnoye, Sunzha, Dongaron), and the city of Vladikavkaz (populated areas of Yuzhnyy, Chernorechenskoye, Terk, Balta, Chmi, Nizhniy Lars, Verkhniy Lars, Ezmi, Kartsa, and the "Sputnik" cantonment);

The Ingush Republic: Malgobekskiy Rayon (with the exception of the inhabited localities of Novyy Redant, Chkalovo), Nazranovskiy Rayon, Sunzhenskiy Rayon (inhabited localities of Galashki, Muzhichi, Nizhniy Alkun, Verkhniy Alkun), Dzheyrakhskiy Rayon (inhabited localities of Dzheyrakh, Lyazhgi, Beyni, Furtog).

3. That the Provisional Administration on the territories of Mozdokskiy Rayon, Prigorodnyy Rayon, and areas of the Republic of North Ossetia adjacent to it, and on the territories of Malgobekskiy and Nazranovskiy Rayons in the Ingush Republic, which was introduced in the capacity of a special form of government by Edict of the President of the Russian Federation No. 657 of 4 April 1994 "On the Introduction of a State of Emergency in Part of the Territories of the Republic of North Ossetia and the Ingush Republic," be transformed into the Provisional Administration in part of the territories of the Republic of North Ossetia and the Ingush Republic (henceforth referred to as the Provisional Administration).

The Provisional Administration is the legal successor to the Provisional Administration on the territories of Mozdokskiy Rayon, Prigorodnyy Rayon, and areas of the Republic of North Ossetia adjacent to it, and Malgobekskiy and Nazranovskiy Rayons in the Ingush Republic.

4. That, for the period of the state of emergency:

a special exit and entry system and a procedure for movement within the state of emergency zone be established, incorporating a document check, and, upon receipt of information regarding the possession of weapons by citizens, a body search and a search of belongings, lodgings, and transportation;

the protection of public order and facilities guaranteeing the day-to-day existence of the population be stepped up;

the staging of meetings, rallies, street processions, and demonstrations, as well as other mass events in the state of emergency zone be prohibited;

the staging of strikes be banned;

the sale of weapons be prohibited, and that firearms and cold steel, ammunition, noxious and explosive substances be confiscated from citizens;

persons who are not inhabitants of a given locality who breach public order be ousted at their own expense to their place of permanent residence, or beyond the borders of the territory on which the state of emergency has been introduced;

the activity of political parties, social organizations, and mass movements impeding the normalization of the situation be suspended after preliminary warnings;

censorship on information relaying events in the state of emergency zone be introduced, with the right of the provisional seizure of printed output;

with due account of the situation, a curfew be introduced, that is, a ban on citizens' being on the streets and in other public places without specially issued permits and documentation identifying that person, at the specified time of day.

5. It is for the Russian Federation Ministry of Internal Affairs, the Russian Federation Federal Counterintelligence Service, and forces from the Russian Federation Ministry of Defense attached to the Provisional Administration to take measures to prevent armed clashes between the belligerent sides, to defend citizens' safety, and to ensure unswerving compliance with the state of emergency ruling.

6. That the joint forces of the Russian Federation Ministry of Defense, the Russian Federation Ministry of

Internal Affairs, the Russian Federation Federal Counterintelligence Service, the Federal Agency of Government Communications and Information under the Russian Federation President, and the Russian Federation State Customs Committee be subordinate in operational terms to the head of the Provisional Administration.

7. That it be incumbent on the Russian Federation Ministry of Internal Affairs (V.F. Yerin), the Russian Federation Ministry of Defense (P.S. Grachev), and the Russian Federation General Prosecutor's Office (A.N. Ilyushenko) to ensure the fulfillment of Item 4 of the working plan of specific actions, ratified by the Russian Federation President 30 December 1993.

8. That it be recommended that the Russian Federation General Prosecutor's Office, for the purposes of overseeing the legality and coordination of the work of investigative organs, set up a Prosecutor's Office with the concomitant powers in the state of emergency zone.

9. That the Russian Federation Government:

guarantee the implementation of measures connected with the prolongation of the state of emergency ruling, including financing them;

finance in good time and in full measure undertakings concerning an all-around solution to the problem of refugees and forced resettlers;

guarantee the further organization of talks on settling the conflict;

proffer through the Provisional Administration financial and economic aid to the Republic of North Ossetia and the Ingush Republic in line with federal programs, maintaining the offer of such aid depending on the situation which arises in the state of emergency zone;

hear reports in June 1994 from the Government of the Republic of North Ossetia and the Government of the Ingush Republic on work done in fulfillment of the edict of the Russian Federation President No. 2131 of 13 December 1993 and the decree of the Russian Federation Government No. 185 of 9 March 1994;

hear a report in June or July 1994 from Provisional Administration Head V.D. Lozovoy on the Provisional Administration's work in eradicating the effects of the armed conflict;

guarantee, with the direct participation of the Provisional Administration, the government of the Republic of North Ossetia, and the government of the Ingush Republic, the fulfillment through 31 July 1994 of the edict of the Russian Federation president No. 2131 [number as published] of 13 December 1993 and the creation of the conditions for the return of all refugees and forced resettlers to the places of their former residence on the territories of the Republic of North Ossetia and the Ingush Republic by 1 December 1994;

submit proposals for increasing the efficiency of the state of emergency ruling in June 1994.

10. Proceeding from the Treaty on Public Accord, it is for Republic of North Ossetia President A.Kh. Galazov and Ingush Republic President R.S. Aushev by 15 June 1994 to submit an agreed procedure for returning and settling refugees and forced resettlers in the places formerly densely populated by them, in the first stage in the inhabited localities of Chermen, Dongaron, Dachnoye, Kurtat of Prigorodnyy Rayon in the Republic of North Ossetia, and in the next stage also in other inhabited localities of the Republic of North Ossetia and the Ingush Republic.

11. That this edict enter into force from the moment of its signing.

12. That this edict be sent to the Federal Assembly Federation Council for ratification in line with Article 102 of the Russian Federation Constitution.

[signed] Russian Federation President B. Yeltsin,
[dated] Moscow, the Kremlin, 30 May 1994, No. 1112.

Tatarstan President Praises Yeltsin's Visit

LD0206115594 Moscow ITAR-TASS in English 1112 GMT 2 Jun 94

[By ITAR-TASS parliamentary correspondent Lyudmila Ermakova]

[Text] Moscow June 2 TASS—"The strengthening of mutual understanding between the Russian Federation and Tatarstan, upon which we were relying, was accomplished", according to Tatarstan President Mintimer Shaymiyev, now in Moscow in his position as delegate to the Federation Council.

Responding to an ITAR-TASS question about his main conclusions after Russian President Boris Yeltsin's visit to his republic, Shaymiyev said that, after the signing of the bilateral treaty between the center and Tatarstan, "peace and accord have settled in the republic. And it is very important that Boris Nikolayevich (Yeltsin) saw the support for that act on peoples' faces".

The creation of a bilateral commission headed by the Tatarstan leader and Russia's first vice-premier allows the two sides to monitor the fulfillment of the treaty's 12 articles, Shaymiyev said. He continued on to say that the document makes it possible to "develop a conception for the decentralization of the federal economy, using the example of Tatarstan, and to remove the petty tutelage of the centre".

Time has shown that "Tatarstan's economic course, which differs somewhat from the federal one, has justified itself", the republican president noted. The best indicator of that is that "the population has not been impoverished".

"The republic's position in the fight against crime has also been recognized", Shaymiyev said, explaining that his republic's law enforcement bodies are "in control of the situation and have overcome their fear of the underworld".

Tatarstan Takes Measures To Stabilize Economy

LD0200165700 Moscow ITAR-TASS in English 1529 GMT 2 Jun 94

[By ITAR-TASS correspondent Nikolay Sorokin]

[Text] Kazan June 2 TASS—"The urgent measures to stabilise Tatarstan's economy are being taken for the sake of our people," Tatar Prime Minister Mukhammat Sabirov told ITAR-TASS. Corresponding draft documents have already been drawn up by the republic's government and will be submitted for approval to the next session of the Tatarstan Supreme Soviet.

"These radical measures were prompted by the difficult situation in the republic's economy," the premier said. "The production slump equalled to almost 30 per cent this year, as compared to the corresponding period of 1993, and the figure for the defence industry reached 47 per cent. The situation is somewhat better only in the agro-industrial sector, where output of goods is growing. Vigorous measures were taken to ensure a good harvest this year. The government was able to find money to pay the wages delayed since January 1944.

"The purpose of the urgent measures is to help the strong and protect the weak," the premier said. "Strong commodity producers will be provided with better conditions for increasing the output of high-quality goods. The poor sections of the population will get differentiated social protection. Possessing rich natural resources and a strong scientific and technological potential, Tatarstan is able to create every condition for the harmonic development of its market, for improving the people's living standards," the prime minister believes.

"Leading economists and financiers have worked for almost one year on the urgent measures. They have a minimum programme, covering the period from 1994 to 1995, and a maximum programme for a longer stretch of time. They have drawn on the experience of market economies in more than 60 countries, including Turkey, China, Germany and the United States. Although no exact all-embracing model was found, many parts of the programme are based on foreign experience," Sabirov stated.

Yeltsin Tatarstan Visit Draws Negative Comment

MK0306083094 Moscow SEGODNYA in Russian 3 Jun 94 p 2

[Yelena Tregubova report in the "Echo" column: "The Tataria Public Discusses Yeltsin's Visit. Nationalists Are Unhappy Over His Arrival, and Federalists Over His Inattention to Them"]

[Text] After Boris Yeltsin's departure from Kazan the visit by "the high Moscow guest" continues to be discussed in public and political organizations of Tataria. Nationalist movements see Yeltsin's coming as a "meeting between Mintimer Shaymiyev and the head of a foreign state." For instance, Tatarstan Independence Party leader Nazib Galeyev explained to SEGODNYA's correspondent: "Yeltsin is the president of a neighboring sovereign republic whom we did not really invite and who cannot resolve any of our internal problems." Activists of the Solidarity committee raise the question about the failure of a treaty recently concluded between Moscow and Kazan to correspond to Tatarstan's fundamental law and believe that contacts with the Russian authorities cannot be pursued until after "the treaty has been adjusted to the republic constitution."

The Tatarstan Republican Party, although it finds that treaty "infringes Tatarstan's interests," nonetheless considers Boris Yeltsin's visit not useless "in light of budget infusions he promised." Ruzal Yusupov, leader of Tatar republicans, complained that "now the question is only how much Tatarstan will get, for instance, from KamAZ [motor works] which Yeltsin promised to help."

The bloc of "federalist" parties Equality and Legality—as local representatives of Russia's Choice call themselves, the Democratic Party of Russia, the People's Party of Free Russia (which has dissociated itself from Rutskoy and Lipitskiy and intends to affiliate with Gaydar) and also the Accord movement, hoped during Yeltsin's visit to "draw Moscow's attention to the fact that Tatarstan is being ruled by a union of old party nomenklatura and the national elite." On the day of negotiations between Presidents Yeltsin and Shaymiyev the "federalists" staged pickets at the walls of the Kazan Kremlin and then used mass media to protest the fact that the Russian president "did not wish to meet with any representatives of the independent public."

Virtually all political organizations of Tataria stated their discontent with Boris Yeltsin's "limited scope of meetings" in Kazan. A leader of the Russian Federation Citizens movement, Vasiliy Barabash, who is senior inspector at the Lenin district division of the Kazan City Internal Affairs Directorate, said that plainclothes police were instructed on the day of Boris Yeltsin's arrival to snatch placards from the pickets of democratic organizations. According to the inspector, "security forces from all areas around Kazan and all special task and militia forces were brought into the city to make sure that everywhere Yeltsin moves would be through a narrow corridor, without communicating with the public." Conversations with "grass-roots citizens," according to Vasiliy Barabash, were organized in places specially designated by the authorities, "with people prepared in advance." Republican leader Ruzal Yusupov said he was sure that "if the Russian leader really wanted to learn about the actual situation in the republic, he would not have gone exclusively to showpiece sovkhozes, in the old tradition of the stagnation era." "This cannot be helped: Traditions are traditions;

after all they are all party people," Ruzal Yusupov concluded in a conversation with SEGODNYA's correspondent.

Khabarovsk Forum Views Accord Treaty Implementation

PM0206160994 Moscow ROSSIYSKAYA GAZETA in Russian 2 Jun 94 First Edition p 1

[Item from column of ROSSIYSKAYA GAZETA/ ITAR-TASS correspondent reports: "Conference in Khabarovsk"]

[Text] The role and tasks of the representatives of the Russian Federation president and the organs of state power in the realization of the Treaty on Social Accord at the level of federation components are being discussed at a zonal conference in Khabarovsk. The Russian Federation president's representatives in krays and oblasts of the Far East and Eastern Siberia have gathered here.

Conference participants note that the current situation dictates the need to amend the activity of the president's representatives. The functional obligations of all organs of power at federal and regional levels must be clearly defined so that they work in harmony, without obstructing one another.

Transbaykal Miners Start Three-Day Strike

PM0206152994 Moscow TRUD in Russian 2 Jun 94 p 1

[Unattributed report under the "Here Is the News" rubric: "Miners Striking Again"]

[Text] Miners in the Baykal and Transbaykal areas stopped mining and dispatching fuel to consumers yesterday. With the exception of workers at two opencut mines, the 20,000-strong collective of the "Vostsibugol" joint-stock company is insisting on immediate payment of debts which now amount to approximately 170 billion rubles [R]. The principal debtors are power industry workers, specifically in Khabarovsk and Maritime Krays. However, the list of demands put forward by the miners is topped by an appeal to the Russian Federation Government, which they say should allocate funds to pay off debts of R69 billion run up by budget-financed and other organizations

In accordance with a statement made by Vladimir Solomin, chairman of the joint-stock company strike committee, the strike action is scheduled to last for three days and also has a political angle: The East Siberian miners are demanding the resignation of the government and early presidential elections.

Moscow Tax Levies on Newcomers Explained

PM0206102194 Moscow ROSSIYSKIYE VESTI in Russian 28 May 94 p 2

[Report by Vladimir Tereshchenko of Moscow City Hall Press Center: "Do You Want to Become a Muscovite? Then Pay Up!"]

[Text] The Moscow government has issued a decree "On the Taxation of Citizens Coming To Live in Moscow." The authorities have decided to take this step on the basis of the following fact (and, as we know, facts are stubborn things): Thousands of new arrivals who have bought themselves Moscow accommodations in recent years are, one way or another, living in the capital without a permit. The situation clearly cannot be rectified by countermeasures in the old "Stalinist" spirit, and that is obvious to everyone. City Mayor Yu. Luzhkov tilted the balance in favor of a civilized approach by ratifying a procedure for examining questions of the registration of foreign citizens in housing space which belongs to them on the basis of ownership rights.

Now, as of 1 June, it is planned to introduce this type of tax for people arriving from regions of the Russian Federation (with the exception of Moscow Oblast) and from foreign countries near and far to live permanently in Moscow. According to the document, the money paid by people coming from other cities will go into compensating expenditure on Muscovites' material and consumer facilities and other items of expenditure.

The Moscow government has determined three categories of taxpayer: Russian Federation citizens; citizens of CIS countries; and foreign citizens and people with no citizenship. Correspondingly, there are three rates of taxation: an amount equivalent to 500 times the monthly minimum wage established by the Russian Federation law for Russian Federation citizens; 1,000 times for CIS citizens; and 2,500 times for foreigners and people without citizenship. However, the authorities have not ruled out the right to fix a preferential taxation rate. Only the Moscow government commission for housing questions, permits, and discharges can grant this right—if there are valid reasons.

A "new-fledged Muscovite" will have to pay the taxes on his own initiative, via banking or any other Moscow credit institutions.

One small thing is lacking: The Moscow City Duma has yet to give the go-ahead for the imposition of the tax as of 1 June or ratify the Moscow City draft law "On a Targeted Tax for Compensating City Budget Expenditure on the Development of the City's Infrastructure and Provision for Social and Living Conditions of Citizens Coming to Moscow City."

What does the draft law deal with?

The owner of housing space (individual) and members of his family with whom he (they) has been registered

before arriving in Moscow will receive the right of registration in Moscow (permit).

At the same time, the housing space acquired as property must be located in buildings which are not subject to evacuation in connection with demolition or reconstruction, and must correspond to the established housing standard of at least 9 square meters of housing space for each member of a family. Incidentally, the payment of the city tax for the right of registration (permit) in Moscow does not entail any commitments on the part of the municipal housing department or other housing organs in terms of the allocation of housing space to people who come from other cities.

Novosibirsk Oblast Procurator Interviewed

944F0763A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 30 May 94 p 5

[Interview with Novosibirsk Oblast Procurator Vladimir Tokarev by VECHERNIY NOVOSIBIRSK correspondent Irina Timofeyeva; place and date not given: "The Procuracy Never Handed Out Gingerbread..."]

[Text] **Last year Novosibirsk Oblast Procuracy investigators referred to courts 869 criminal cases, of which more than half concerned premeditated murders. It oversees the investigation of more than 100,000 criminal cases. The procuracy filed with the courts 1,347 claims for compensation for damages; about 1,000 of them on behalf of the state, and the rest—on behalf of individuals. Over four months of this year 14 cases in the economic sphere alone, involving a total amount of 1.624 billion rubles [R], were referred to the arbitration court. Some of them have been considered and resolved.**

These figures were given to our correspondent at the oblast procuracy shortly before the date when this state body celebrated its 72d anniversary—counting only the Soviet period. I think it is more correct to count its age since the time of Peter the Great, who created the procuracy at the beginning of the 18th century. The anniversary provided a pretext for asking Novosibirsk Oblast Procurator Vladimir Vasilyevich Tokarev a few questions.

[Timofeyeva] Recent events are such that one gets the impression that there are forces trying if not destroy then at least to weaken the Russian procuracy.

[Tokarev] Our function is to uphold the laws currently in effect. The procuracy cannot be everybody's favorite because it has never handed out gingerbread. The wave of criticism over the past few years, some of which was fair, was inevitable considering our history. It is quite possible that not everybody is happy with the very existence of an oversight body. Remember, just recently it was only through Kazannik's incredible efforts that the article on the procuracy was literally rammed through in the new constitution.

[Timofeyeva] What is actually happening with general procurators? What is the view from here, from the provinces?

[Tokarev] I know no more than you do—mainly what I read in the press. My opinion is that Stepankov, although he was young when he came into this job, had already earned authority and respect by then. He turned out to be a mature leader and did much to preserve and strengthen the procuracy. Kazannik is a highly educated, intelligent, and decent man, but not versed in political games. His problem was that he looked at life from the university chair viewpoint. As to what is next—we will see... In principle, no matter who is at the top we have to carry out our duty here.

[Timofeyeva] It is bad taste these days to quote Lenin. Still, I will take a chance and quote a famous phrase: "...there cannot be a Kaluga legality and a Kazan legality—there) should be one, all-Russia legality..." How topical is this idea today?

[Tokarev] I would say it is very topical. We live in a rapidly developing society. The new constitution says that krays and oblasts have the right to carry out their own legal regulation, including adopting laws. Apparently in the desire to make full use of this right the oblast council adopted a plan for legislative work. It envisages the adoption of nearly 40 different laws and decrees over a short period of time. Without belittling in any way the merits and abilities of the new deputy corps, I will dare to voice a certain doubt. I think that some deputies have a somewhat simplistic idea of the lawmaking process. The adoption of any law, even one limited to the oblast, requires quite lengthy and painstaking work. Another example. Currently the oblast administration, concerned at the way the situation is developing, is preparing a number of documents on matters of combating crime, stabilizing the economic situation, and others. Looking at some of them brings one to the conclusion that the authors attempt to resolve the accumulated problems by strong-arm, proscriptive methods, disregarding first of all current federal legislation. It is not good when each rayon begins to write its own "constitution." We, at least, do not expect an easy life.

[Timofeyeva] This means that the role of your agency will grow. And what are your relations with the judiciary? In particular, with respect to appeals on arrests?

[Tokarev] We have normal businesslike relations. Over more or less the past year and a half we have been preparing our staff for the competitiveness of the process, since the procurator's role in court will be somewhat different. With respect to appeals of arrests, a law has been adopted and it has to be complied with. There can be no argument about this. The courts do it, albeit not without mistakes. Now we are sorting out the situation, trying first and foremost to identify our own shortcomings. A serious oversight on the part of lawmakers is the impossibility of appealing such a court decision.

[Timofeyeva] Vladimir Vasilyevich, what kind of crimes worry you most?

[Tokarev] The number of so-called everyday murders keeps growing. In 1992 there were 134 of them in the oblast; last year there were 220, and 89 have already been committed over four months of this year. One can pontificate endlessly on the causes of everyday murders: apathy, bitterness, drinking, loss of the old forms of social work—which was not all that bad—with problem families. Very troublesome is the increase in the number of grave crimes against individuals motivated by greed. In April we opened a case on the murder of an Armenian family, including a four-year-old girl. A large sum of money had disappeared. The professionalism of the Dzerzhinskiy Rayon Department of Internal Affairs staff and their close interaction with oblast procuracy investigators produced results: Two weeks ago a suspect, also an Armenian, was detained and charged.

[Timofeyeva] What about economic crime?

[Tokarev] We are investigating, for instance, the case of the director of GPI [state design institute] Sibgiproelektro and his deputy, who are charged with extorting bribes for leasing space. So far the amounts involved are R3 million and $2,000. We recently referred to court a case that had been reported in the press, including by your newspaper. I mean the attempt to solicit a large bribe by the deputy chief of the oblast state trade inspectorate; she is also charged with embezzlement. Investigation is also underway in the case of employees of the Rosstrakh joint-stock company's security service. In order to "collect" debts, they took hostages. There have been instances of theft of arms and ammunition from military warehouses—handguns, ammunition, and dynamite sticks were stolen. Ten persons have been charged, eight of whom are under arrest.

Speaking of the economy, I am concerned at the artificial washout of state property. For instance, in the total property of an enterprise converted to joint-stock holding only 5 percent belongs to physical persons, and the rest—to the state. Nevertheless, currently the lawmaker in the event of theft treats the entire property as private. The role of the state is falling. But we all know that if the state is strong, life will become easier for all its citizens—stockholders, entrepreneurs, and workers...

Decree on Novosibirsk Oblast Housing Construction

944F0751B Novosibirsk SOVETSKAYA SIBIR in Russian 26 May 94 p 1

["Decree No. 175 of the Novosibirsk Oblast Administration, Dated 17 May 1994, City of Novosibirsk": "On Formation of the Housing Construction Development Fund of Novosibirsk Oblast"]

[Text] With the aim of implementing the state program "Zhilishche," confirmed by Decree No. 595 of the Council of Ministers-Government of the Russian Federation, dated 20 June 1993, and Russian Federation Presidential Edict No. 2281, dated 24 December 1993, "On the Development and Introduction of Nonbudget Forms of Investment in the Housing Sphere," and with the aim of creating a credit and financial mechanism for attracting funds, including citizens' funds, into housing construction for the improvement of housing conditions:

1. To establish a regional fund for the development of housing construction in Novosibirsk Oblast. Deputy Head of Administration V.S. Matveyev shall effect the coordination of documents and determine the composition of founders of the fund.

2. The Housing Construction Development Fund shall draw up and ratify documents determining the procedure for issuing housing bonds (family housing loan certificates, etc.) and for guaranteeing special-purpose use of the attracted capital.

3. The Directorate for Architecture and City Construction (V.I. Krivogornitsyn) and the oblast Committee on Land Reform and Land Resources (N.A. Zhuravlev) shall assist the Housing Construction Development Fund in effecting priority allocation to it of land parcels for the construction of public housing.

4. Responsibility for monitoring compliance with this decree is entrusted to Deputy Head of Administration V.S. Matveyev.

[Signed] I.I. INDINOK
Head of Administration

International Affairs

Britain Supports Ukraine in Crimea Dispute

LD0206142594 Moscow ITAR-TASS World Service in Russian 1343 GMT 2 Jun 94

[By UKRINFORM correspondent Mikhail Stetsyuk for TASS]

[Text] Sevastopol, 2 Jun (ITAR-TASS)—Leaders of the Sevastopol state administration and Simon Hemans, the British ambassador in Ukraine, discussed the holding of joint events dedicated to the 140th anniversary of the Crimean war and the organizing of permanent cooperation in tourism. The ambassador visited Sevastopol 1-2 June.

The guest was received by Ukrainian Navy Commander Vice Admiral Vladimir Bezkorovaynyy. The press office of the Ukrainian Navy reports that the conversation took place in a warm and friendly atmosphere. The commander briefed the ambassador on the negotiations regarding the forthcoming division of the Black Sea Fleet and the way the building of the Ukrainian Navy is progressing. Simon Hemans confirmed the position of the British side that the Crimean issue is Ukraine's internal affair and that Britain supports Ukraine's policy on the Crimea.

Kravchuk on Future Relations With Russia

LD0306111594 Moscow ITAR-TASS in English 1024 GMT 3 Jun 94

[Report by UKRINFORM-TASS]

[Text] Kiev 3 June ITAR-TASS—"Ukraine's relations with Russia must be built with the future in mind, with the realization that the two states must live in peace and accord," announced Ukrainian President Leonid Kravchuk in Kiev on Friday [3 June]. The president was speaking at a meeting with the heads of Russia's leading mass media, members of the Moscow editors-in-chief club.

Speaking of the situation in the Crimea and the Black Sea Fleet, Kravchuk emphasized that "it would be absurd for the Crimea to completely distance itself from Ukraine, since the peninsula is inseparably connected to Ukraine and depends on it. Of course," Kravchuk noted, "there are questions which must be jointly resolved. One of them is the division of the Black Sea Fleet and the decision where to establish the bases for the Russian fleet and the Ukrainian navy. But here, too, everybody must demonstrate patience, common sense, and mutual respect."

Asked whether he was sure the conflict with the Crimea could be resolved in exclusively peaceful ways, Kravchuk announced, "Not under any circumstances will we resort to the use of armed force, and we appeal to the Crimean leadership to adhere to the same principle."

Concerning the future of land and federalism in Ukraine, the president noted that, "this is not a subject for casual conversation, it cannot be examined on the everyday, non-professional level." In that connection, he stressed that he supports economic federalism, "if one may use such a category," and favors handing over some power to the regions. But, Kravchuk noted, "as world experience shows, real federations were created over long periods. One must not forget about that."

The Russian mass media heads expressed their concern over the Ukrainian president's attitude toward foreign journalists working in his country. Naturally, they had in mind the recent Ukrainian Foreign Ministry's decision to refuse to accredit three "Ostankino" correspondents. Kravchuk replied, "I do not share (the Foreign Ministry's) position. That was also unexpected for me. Those questions should be resolved in a different way than they were." He agreed to discuss the proposal to create a single informational space with the rest of the CIS heads of state, and announced his readiness to take the initiative in sponsoring such a document.

The mediamen also asked the president about his personal ambitions: what would he like? The answer was: "For the Ukraine to make some progress in the economic sphere; for friendly relations to be developed between neighbors, not de jure, but de facto, in particular, between Russia and Ukraine, since there are no alternatives in this respect. I want Russians to look at Ukraine as an equal partner."

Speaking about his relations with the Ukrainian Supreme Soviet and its chairman Alexander Moroz, Kravchuk called the former business-like, and the latter, were termed "normal." "Time will tell how they will be in the future. After all, as it is, the deputies have only looked at, besides the situation in the Crimea, the internal questions of their work."

As far as the upcoming presidential elections are concerned, Kravchuk said, "the elections will be held. The main battle, in my opinion, will take place in the second round. Who will enter it? I think that Kuchma will. I am almost sure of that. Who else? I might," the president commented.

Association Protests Russian Cossacks in Crimea

LD0206203094 Kiev UNIAN in Ukrainian 1645 GMT 2 Jun 94

[Text] Kiev—The "Ukraine" democratic association on 1 June issued a statement in connection with the presence of Russian cossack formations in Crimea. The document, in particular, reads, as follows: "Recently, a neighboring state's military formations have insolently held a so-called 'grand council' on our territory. They are guarding Crimea's antistate, anti-Ukrainian parliament, creating havoc and raping women. We demand the protection of Ukrainian citizens from unruly, armed foreigners.

"We emphasize that the formation, development, actions, and financing of the Russian cossacks are under the supervision of the Russian Government. That is why we regard cossack raids on our territory as Russia's interference in Ukraine's internal affairs, the more so in that the existence and presence of paramilitary public formations is outlawed in Ukraine."

The "Ukraine" democratic association demands that the Ukrainian Foreign Affairs Ministry immediately lodge a note of protest with the Russian Foreign Affairs Ministry in connection with the presence of Russian cossacks in Crimea and Russia's active interference in Ukraine's internal affairs; that the Internal Affairs Ministry deport Russian cossacks from Ukraine and hold those from their formations who committed crimes liable under Ukraine's laws; and that DerzhKomKordon [State Committee for the Protection of Ukraine's State Border] immediately enhance the regime of control at the border and introduce Ukrainian entry visas to put an end to the influx of criminal elements and prevent the import of drugs and arms.

Russian-Ukrainian Naval Talks Under Way in Sevastopol

LD0206131794 Moscow INTERFAX in English 1101 GMT 2 Jun 94

[Text] Russian and Ukrainian experts discussed in Sevastopol behind closed doors on Thursday ways of dividing naval vessels and infrastructure between Ukraine and Russia, a Sevastopol-based source has reported to Interfax. The results of these negotiations are to be announced later.

Russia was represented at the talks by the Naval Chief of Staff Feliks Gromov, the First Deputy Commander of the Black Sea Fleet Vitaliy Larionov, and the Head of the Routine Management Department Aleksandr Grinko. Negotiating on Ukraine's behalf were the Naval Chief of Staff Vladimir Bezkorovayniy, the Head of the Routine Management Department Viktor Fomin, and the Naval Air Force Commander Nikolay Volodin.

Russian Navy Commander on Efforts To Divide Fleet

LD0206221794 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 2 Jun 94

[Text] Admiral Feliks Gromov, commander in chief of the Russian Navy, in a conversation with journalists, said: Efforts by a group of naval experts to estimate the fleet's strength, particularly its floating capability, is under way. The specialists will determine the parameters for the basis of the fleet's division, focusing on the categories of ships and their technical condition. Feliks Gromov pointed out that this is not a meeting of delegations but work done by experts. The work is difficult because every ship has to be examined.

About his meeting with Admiral Volodymyr Bezkorovaynyy, the Ukrainian Naval Forces commander, Feliks Gromov reported that their points of view do not coincide, and it is necessary to do everything possible to reach a mutual understanding.

Negotiations on Gas Debts to Russia Resume 3 Jun

LD0306084894 Kiev UNIAN in Ukrainian 2000 GMT 2 Jun 94

[Text] Kiev [no date as received]—A delegation of the Russian joint stock company Gasprom will hold negotiations in Kiev on 3-4 June on Ukraine's payment for Russian gas deliveries. Ukrainian Acting Prime Minister Yukhym Zvyahilskyy is heading the Ukrainian side at the talks.

The talks will focus on the possibility of Ukraine building houses in Russia and supplying technical resources from its enterprises to repay the debt. Gasprom's shareholding in Ukrainian companies will also be discussed. The talks are likely to raise the issue of setting up joint ventures to use Ukrainian gas fields and pipelines, which the Russian side wants as part of debt payment.

Asked by UNIAN about the Russian position on gas deliveries to Ukraine, Vladimir Podmarkov, an engineer of Gasprom's central distribution directorate, said it remains unchanged. While Russia continues to supply gas to Ukraine even in greater amounts than pledged, Ukraine is continuously failing to repay the debt. Meanwhile, Russia has repeatedly threatened to suspend gas deliveries if Ukraine does not pay what it owes, which since the beginning of the year has reached approximately $1 billion.

Russia has postponed suspension of deliveries until negotiations have been held. At a recent meeting in Moscow, the sides decided that Ukraine will collect $150 million from enterprises of the Ministry of Industry and the Ministry of Machine-Building to relieve tension at the next round of talks. Ukrgazprom, the Ukrainian company trading with the Russian partner, told UNIAN, however, that the money has not been found.

Ukrainian Deputy Prime Minister Vasyl Yevtukhov said in an interview for UNIAN that Ukraine's Industry Ministry, which has been asked to pay $100 million, does not actually owe anything for gas. Meanwhile, Ukrainian Deputy Prime Minister Valentyn Landyk met with chiefs of the Ministry of Industry and the Ministry of Machine-Building on 2 June to discuss hard currency payments for gas.

National Affairs

Kravchuk Addresses Supreme Council on Crimea

LD0206140494 Kiev Radio Ukraine World Service in Ukrainian 1912 GMT 1 Jun 94

[Speech by Ukrainian President Leonid Kravchuk to Ukrainian Supreme Council plenary session in Kiev on 1 June—recorded]

[Text] Esteemed people's deputies, I am convinced that the Supreme Council is taking very important and proper steps by considering at its plenary sitting, for the second time in such a short space of time, the problems connected with Crimea. I am convinced that if the Supreme Council of the previous convocation had approached this issue in a similar way then we probably would not have had so many problems today.

Recent events that have taken place in the Republic of Crimea are causing serious anxiety and worry both in Ukraine and beyond it, and in Europe as well as in the world community. At issue is not only the safeguarding of Ukraine's territorial integrity but the preservation of peace and security, above all, on the European continent. The present situation which is unfolding in the Republic of Crimea requires a profound and detailed discussion by the Ukrainian Supreme Council, and I support the speeches made here today. They also demand that the Supreme Council adopt decisions appropriate to the situation.

As you know, on 10 May this year, the Supreme Council of Ukraine adopted a resolution on suspending the actions of the law of the Republic of Crimea on restoring the constitutional bases of Crimea's statehood. It was proposed that the Crimean Supreme Council should, within 10 days, bring the Crimean Constitution into line with the Constitution of Ukraine and the law of Ukraine on the division of powers between the bodies of state powers of Ukraine and the Republic of Crimea. Ukraine's Supreme Council created a commission in order to hold talks with Crimea's Supreme Council on this issue. Talks were held between the delegations of both Supreme Councils, according to the results of which the delegations agreed to form a joint working group to elaborate the agreed proposals of Ukraine's Supreme Council and Crimea's Supreme Council.

In addition, according to the results of these talks, it was proposed that the Ukrainian and Crimean Supreme Councils should, within three days, discuss suspending the acts adopted on 20 May this year for the duration of the working group's activities.

The 10-day period has elapsed; however, Crimea's Supreme Council has not brought Crimea's Constitution into line with Ukraine's Constitution. Therefore, the power bodies of the Republic of Crimea are continuing the policy of ignoring the Ukrainian Constitution, our state's legislation, Supreme Council resolutions, and generally recognized principles and norms of international law. The question arises: Is this an accident or is it connected with the failure by the Crimean powers to understand the situation, or could it be a reflection of the strategic policy which the leadership of the Republic of Crimea is implementing?

Our assessment testifies to the fact that this is not an accident. The point is not in a good or a bad president but lies elsewhere.

A political force—a party—came to power in Crimea that proclaimed the secession of the Republic of Crimea from Ukraine and the return of the Republic of Crimea to Russia as its strategic course. This is the strategic course. This strategic course is divided into stages. The first stage is the adoption of a constitution that, in essence, would mean or would let everyone understand or draw the conclusion that Crimea is an independent state and that, as such, it can decide on its future on a contractual basis. In other words, it can decide on it in a constitutional way, so to say, proceeding, however, from the provisions of the Constitution of the Republic of Crimea only and ignoring the laws and the Constitution of Ukraine.

There is yet another way that is also being discussed. I would like us to discuss about this openly today. This way is the restoration of the former Soviet Union—the fact of which is exactly the solution to all problems. In other words, all the problems would be removed because there would be no states. Their status would be changed. The problem of their territorial integrity, sovereignty and so on, would acquire quite a different nature, or—let us say this openly—states would cease to exist as such. These are the two ways as they are viewed in Crimea.

Why are they insisting on the first way? Because they are not convinced that it would be such a simple issue for Crimea to return to the Soviet Union and, speaking openly, it is not such a simple and realistic option within the composition of states of the former USSR. I stress: Any kind of explanations by the power structures of Crimea that they are acting in this way simply because Ukraine or its powers are so principled has absolutely no basis to it. This is meant for naive people. They say that if Kravchuk had not adopted these decrees on reconstituting the structures of the state security bodies—the Internal Affairs Ministry—then, they say, perhaps the Supreme Council of Crimea would not have adopted the law. Such an explanation is being proffered. Furthermore, they say that if President Kravchuk had not implemented the Supreme Council resolution—incidentally the Supreme Council gave me a month to do this—on creating a representation in Crimea, the situation would not have become so exacerbated. So, these are the explanations which some of them use to taunt us.

But this is not the point. I stress, the point is in the implementation of a strategic policy by a force that has come to power. These explanations are meant for the people and not as a serious policy. Please tell me why the

Crimean authorities react so sharply to any Ukrainian—I stress Ukrainian—presence in Crimea? It is because they want to prove unambiguously to everybody that Crimea and Ukraine have nothing in common with each other. They say that there is something in the constitution which could be interpreted differently. Once again, however, this is meant for the people. They say to Ukraine: You want to satisfy your ambitions that Crimea is in the composition of Ukraine; then, de jure, we could write something which is ambiguous but de facto you are not there anymore: you are not present in the power bodies nor in relation to any specific issue. This is the reality, and it is being consistently implemented step by step in relation to the armed forces, dual citizenship, and citizenship. If you analyze all these problems then the result is unambiguous, and I came to this conclusion at the very beginning.

It is therefore clear today that we need to define our position in, as they say, an unambiguous way. Or we could, as some people are proposing, agree to anything just to maintain peace and quiet, and I am also in favor of this. But I am in favor of peace and quiet in relation to one thing only—to place Crimea within the framework of the Constitution and laws. If we can do this—and we are obliged to place Crimea within the framework of the constitution and laws—then all other issues will be resolved. I repeat: All other issues will be resolved. There will be compromises, flexibility, and other things, and everything will be done by Ukraine's executive authorities and the Ukrainian president in order to find accord, cooperation, and mutual understanding. But if this basic and fundamental issue—to the effect that Crimea is in the framework of Ukraine's constitution and laws—is not finally resolved, then none of the other issues will be resolved. This is the founding principle and we should begin from this.

What is happening in Crimea today is, I repeat, a very dangerous precedent. We should give it a clear legal assessment. The leadership of the Supreme Council of Crimea ignores the fact that the Republic of Crimea is an autonomous and constituent part of Ukraine, with broad rights in the socioeconomic and cultural spheres, and in the sphere of organizing social life. At the same time, the Republic of Crimea, as an autonomous and constituent part of Ukraine, is not a bearer of state sovereignty and, in accordance with our constitution, cannot enter into political relations with foreign states.

The renewal of the principles within the Crimean constitution that the Republic of Crimea builds its relations with Ukraine on a contractual basis contravenes the autonomy's constitutional status. They often cite the fact that in the Russian Federation there are contractual relations between the Federation and subjects of the Federation, particularly in Tatarstan. If you familiarize yourself with this document which we have here and which could be given to you—it is not a secret document, it has been published and so on—yes, this is an agreement, but even in the agreement which they are citing, the authorities of the federal power are clearly defined: the Army, the internal affairs bodies, and the security bodies all belong to the authority of the federal power. In Crimea they want these areas to be completely within the competence of Crimea. This is nothing but a collapse of the entire defense system, a collapse of Ukraine's sovereignty as a state and those forces which should defend the inviolability of borders of the state's sovereignty and integrity.

What is being adopted by the Supreme Council and the president of Crimea is a practical transformation of autonomy into a bearer of state sovereignty and its secession from the composition of Ukraine, despite the slogans which may conceal this. In a legal sense it is necessary to stress that the constitution of Ukraine is valid throughout Ukraine, including the territory of the Republic of Crimea. The autonomy's constitution cannot contravene the constitution of Ukraine. The territory of Ukraine, which also includes the territory of Crimea, is single, indivisible, inviolable, and integral. Any changes to Ukraine's territory or state borders are not permitted without the agreement of the people of Ukraine. We all, both the executive and the legislative powers, should defend the integrity, inviolability, and indivisibility of our state. I hope that nobody has any doubt about this here.

In connection with the attempts to introduce its own citizenship within the Republic of Crimea, I stress: The Republic of Crimea does not have its own citizenship which is separate from Ukraine's. This is not envisaged anywhere. Incidentally, I do not know, but perhaps someone has information about world practice where, for example, part of a state has its own citizenship. [Word indistinct] legal assessment requires a decision by the leadership of the Republic of Crimea with regard to the subordination of Ukraine's security services, internal affairs bodies, and other armed formations. In accordance with the law of Ukraine on the division of powers between the bodies of state power of Ukraine and the Republic of Crimea, and other laws of Ukraine, these issues cannot be decided by the higher bodies of state power of the Republic of Crimea. They are decided solely by Ukraine.

Blatant violations of Ukraine's Consitution, of Ukraine's legislation, and of international legal norms are being carried out by the leadership of the Republic of Crimea, despite the fact that the higher bodies of state power of Ukraine, I stress, have created exceptionally broad possibilities for independently resolving the most important problems for the peninsula's population. It was the Supreme Council of Ukraine itself that gave the Crimean oblast the status of autonomy. Laws were adopted on the division of powers between the bodies of power of Ukraine and the Republic of Crimea. A year ago—as long ago as June 1993—the president of Ukraine signed a decree on an open economic system for the territory of the Republic of Crimea. Following this decree—and this is very important—we gave the Republic of Crimea the possibility of acting within broad legal limits in the economic sphere, I stress within broad legal limits. The

Republic of Crimea requested that the Ukrainian Government change the budgetary relations, and the Government fully accepted the proposals submitted by the Republic of Crimea. Therefore, today this issue has been taken off the agenda, in the sense that Crimea's budget has certain rights, although it is true that Crimea today does not fulfil its obligations in relation to Ukraine's budget, and does not pay what it should pay according to the norms and (?payments) of the budget's clauses.

Second, the president of Crimea issued a host of decrees on currency regulation and on taxation, which placed the Republic of Crimea in an appropriate regional condition. We knew that there were certain violations, but we did not demand that they should be repealed because we wanted to give the Crimea the chance to act autonomously in the economic sphere if the Crimeans themselves wanted this. I stress, there are no poblems today with regard to any restrictions in Crimea's economic sphere. Moreover, we see that this is leading to certain complications in economic relations, which has affected money and other issues from one region to another.

Now we are also thinking about how we can take certain steps on a Ukrainian-wide scale. I will tell you: I have instructed the Government to prepare a whole package of documents on changing the taxation system, which will be sent to the oblasts for analysis, and then passed to the Ukrainian Supreme Council for adoption. Concern is being caused by the fact that in order to carry out its economic and political strategy, the senior leadership of the Republic of Crimea is attracting, on a wide basis, specialists and personnel from Russia. I think there is even a certain contempt for local cadres, and there are such experts in Crimea who are experienced and who could take charge of the most important posts in the republic. However, the problem is set in such a way as to make it seem as though these cadres are not capable, and therefore one needs to attract personnel only from Russia.

I am not even talking about certain violations here with regard to the principle of Ukraine's law on citizenship. I granted Premier Yevhen Saburov Ukrainian citizenship, but this was an exception. I have the right to do this, but it is an exception. But what about the others? There are no exceptions. So once again, even here there are certain deviations from Ukrainian laws. This is the practical and legal aspect, but the moral and ethnic aspect of this lies in the fact that there is a direct contempt for cadres who were raised in Crimea. This is a direct contempt.

A number of resolutions on guaranteeing the socio-economic development of the peninsula were adopted by the Ukrainian Cabinet of Ministers. Among them are resolutions on the division of property in state ownership, general state ownership, and the property of the Republic of Crimea. Therefore, I conclude that all issues pertaining to the economy which the Republic of Crimea puts forward are being tackled by the president of Ukraine and the Ukrainian Government. Taking into account that, during the last month the leadership of the Republic of Crimea has adopted a number of acts that contravene the Ukrainian Constitution and Ukrainian legislation, the president of Ukraine, as guarantor of the Constitution, has repealed a number of decrees issued by the Crimean president. You are aware of these decrees.

Taking into account the considerable complexity of the crime situation in the Republic of Crimea and the growth in organized crime and serious crimes, a decree issued by the president of Ukraine reorganized the security service, the internal affairs and justice bodies, and the main directorates of the relevant bodies of Ukrainian state executive power in the Republic of Crimea. Taking into account all these steps by the executive authority, it must be noted that the situation that has arisen in the Republic of Crimea requires the adoption of appropriate acts by the Ukrainian Supreme Council. The situation whereby a legal uncertainty exists in relations between Ukraine and its autonomous part cannot remain indefinitely. We cannot permit a further exacerbation of the situation on the peninsula itself. Proceeding namely from these deliberations, I propose the following:

First, to ensure—and what is more, I would like it do be done without delay—the formation of a Constitutional Court of Ukraine. The decisions of the Supreme Council of Crimea which contradict Ukraine's Constitution and legislation must be abrogated by the Constitutional Court of Ukraine.

However, the following variant is also possible: when the Supreme Council itself abrogates the decisions by the Supreme Council of Crimea, but then amendments should be introduced to the Constitution. The Constitution does not envisage an abrogation. It was envisaged to stop the effect of these decisions by the Crimean parliament. Read carefully. So, we stop them. Then you have already stopped them—but for how long?

I underscore that it should be clearly determined who is to abrogate. It is the Constitutional Court which abrogates.

On my part, I can submit candidatures for the Constitutional Court of Ukraine very soon.

Second, it is expedient to introduce amendments and additions to the Law of Ukraine on the delimitation of powers between the state power bodies of Ukraine and the Republic of Crimea. This law must determine, in a more exact and specific manner, the competence of the autonomy, expand plenary powers—however, within the limits of the recognition of the main principal postulate that Crimea is a constituent part of Ukraine. And it is necessary to take into account the changes which have already taken place. This is because the election of the president of Crimea requires the introduction of relevant legal changes to the law on the delimitation of powers between the state power bodies of Ukraine and the Republic of Crimea.

By the way, it would be good for us to determine our stand in relation to actions by the Republic of Crimea concerning this law. You will remember, when the Supreme Council was adopting it, the following provision was entered into the resolution: that it comes into effect when the Republic of Crimea brings its constitution in line with the Constitution of Ukraine. But it has not been changed to date. Moreover, such amendments have been introduced which entirely ignore, or mainly ignore, the Constitution and laws of Ukraine.

Third, I believe the following must also be done: to introduce amendments and additions to the laws of Ukraine on the security service of Ukraine, and on the militia, which was adopted back in 1990, and other enactments which regulate the activities of so-called power-wielding structures within the Republic of Crimea. The situation there at present is not simple, as far as the power-wielding structures are concerned—the militia first and foremost.

In the current conditions, in order to preserve peace and quiet on the peninsula, these structures within the Republic of Crimea must be subordinate solely to the center, as is the case in any state. We cannot and we have no right to allow the bodies called upon to ensure the protection of public order, the safety of the citizens and the state, to be turned into political organizations. Every power institution should exercise the powers established for it by law.

It is necessary to build budgetary relations between the Ukrainian Cabinet of Ministers and the Crimean Government on a legal basis. We have made such a decision at a governmental level, but this must be regulated by law.

Next, with the aim of establishing contacts between the Supreme Council of Ukraine and the Supreme Council of Crimea, and more efficient parliamentary control over the situation in the Republic of Crimea, I would propose setting up a subcommission within one of the commissions that have already been set up at the Supreme Council. This subcommission would deal exclusively with Crimean issues at the Supreme Council of Ukraine.

One can agree to the proposal by individual people's deputies of Ukraine on inaugurating the post of a Ukrainian vice premier dealing with territorial issues, taking into account that not only Crimean problems exist, but that, first and foremost, territorial problems exist and will exist in the economic sphere, too. I believe this is of great importance.

Completion of the negotiating process with Russia on dividing the Black Sea Fleet is of principal importance for the settlement of the Crimean issue. Apart from proportions and the principles of division, this issue has two more aspects.

First, it is necessary to solve the issue of taking the two fleets to different bases and, second, to determine clearly and legally the status of the Russian fleet, which will be temporarily based on Ukraine's territory. To determine the status.

The solution of dividing the Black Sea Fleet will have a significant positive influence on developments in Crimea and will ease tensions in Ukrainian-Russian relations. The efforts of the Ukrainian delegation, led by Acting Premier Yukhym Leonidovych Zvyahilskyy, at the negotiations with Russian Premier Viktor Stepanovich Chernomyrdin in Moscow on 23-25 May this year were targeted at achieving this very goal.

The stand of the Ukrainian side at these negotiations took into account the fact that, in the present-day conditions, Russia objectively has no real alternatives to basing its fleet on the Black Sea. It has no alternatives. We accept this. Ukraine is striving toward such a decision on the Black Sea Fleet issue which, as a whole, would correspond to our national interests and take into account in real terms Russia's needs to ensure its security in a southerly direction. However, it is clear that this issue will not be always be tackled in the same way. Russia must set up a base for its fleet on its own territory. This is how our delegation posed this question.

An agreement began to take shape on the fleet issues after the negotiations in Moscow on 23-25 May. This refers to such issues as the division of the floating means, on a principle, according to which, Ukraine takes the necessary number of ships; compensation for that part of the ships which Ukraine does not need today, and for the use of certain Ukrainian territories by Russia for the temporary basing of its fleet; determining the conditions of granting part of the shore-based infrastructure of Crimea to Russia on lease to ensure the needs of its fleet; and the division of the coastal defense forces, marine infantry, and land-based naval aviation which is part of the Black Sea Fleet. Among these issues is the determining of the order of settling accounts for the ships and vessels which had been written off by the Black Sea Fleet during the period after 3 August 1992.

An agreement was reached at the negotiations to continue the talks within the next two weeks on those issues which have not been settled.

Therefore, esteemed people's deputies, the regulation of the Crimean problem is of vital important for Ukraine, first and foremost for the Republic of Crimea itself. This is an issue of great politics today, and it concerns not only Ukraine. It is today a problem on a European, even a world scale. Today we are suffering both political and economic losses, and have not yet found a wise solution to the Crimean problem for the sake of peace on the continent, and for the sake of establishing friendly and partnership relations with our neighbors.

If we do not solve this problem as the future demands, then the consequences will be even more dangerous. In my opinion, the way to resolve this problem is through strict adherence to the constitutional regime, both by the power structures of Ukraine and correspondingly by the

structures of the Republic of Crimea. In setting out my views and conclusions, I am counting on the Supreme Council supporting the submitted proposals. Thank you for your attention.

Assures No Use of Force in Crimea

LD0206211494 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 2 Jun 94

[Text] Ukrainian President Leonid Kravchuk met chiefs of the leading Russian mass media, members of the Moscow club of editors-in-chief, in Kiev on 2 June. A broad range of issues was addressed, particularly those connected with Crimea and the Black Sea Fleet. The following was underlined: Complete alienation of Crimea from Ukraine is absurd because Crimea is inseparable from and depends upon Ukraine. Of course, there are issues that need to be solved jointly. One of these is dividing the Black Sea Fleet and determining the basing sites for the Russian Black Sea Fleet and Ukraine's Naval Forces. However, at this point one should display tolerance, common sense and mutual respect.

The media chiefs asked the president of Ukraine: Is there any confidence that the use of force in Crimea can be avoided?

Leonid Kravchuk answered: Under no circumstances will we resort to the use of force, and we call on the leadership of Crimea to abide by the same principle.

The issue of a possible federal land structure of Ukraine was raised during the conversation. The president's reply was quite clear-cut: One cannot just hold forth on it. It cannot be considered at a domestic, unprofessional level.

The leaders of the Russian mass media were also concerned about the Ukrainian president's attitude toward the work done in Ukraine by the journalists of other states. Leonid Kravchuk agreed to the proposal to discuss a common information space at the level of the CIS heads and declared his readiness to initiate the adoption of a relevant document.

They also asked the president of Ukraine about his personal goals and desires. The Moscow journalists heard the following reply: I would like progress to begin in the economic sphere in Ukraine, and to see friendly relations take shape between neighbors not formally but in practical terms, in particular, between Russia and Ukraine, because there is no alternative here. I would like Russians to regard Ukraine as an equal partner.

Dwelling on mutual relations with the Supreme Council and its chairman, the president of Ukraine pointed out that they are businesslike and that relations with Oleksandr Moroz are normal.

As for the upcoming presidential election, Leonid Kravchuk said: The election will take place. The main struggle, in my opinion, will get under way during the second round. Who will enter it? I believe it will be Leonid Kuchma. I am almost convinced of this. Who else? Possibly myself.

At the end of the conversation the president of Ukraine again turned to the issue of mutual relations between Ukraine and Russia. He underlined that these relations should be built while taking into account the fact that the two states should live in peace and accord.

Crimean Supreme Council Rejects Presidential Rule

LD0206192494 Moscow ITAR-TASS in English 1758 GMT 2 Jun 94

[Report by UKRINFORM correspondent Lev Ryabchikov for TASS]

[Text] Simferopol June 2 TASS—The Crimea's local parliament disagreed with President Yuriy Meshkov when the latter announced on Thursday that following the latest changes in the situation on the peninsula, the issue of government formation was no longer as urgent as before. Therefore, Meshkov said, he did not insist on immediate approval of government ministers, but suggested that presidential decrees be given the force of law in full compliance with the results of the March 27 republican referendum.

"I believe this proposal need not any discussion, since it reflects the people's will and should be put to vote right now. The more so as this is critical to the Crimea, for it enables to promptly respond to the fast-changing situation in the republic and about it", the Crimean president noted.

The draft law on legislative acts passed by the president provides for endorsement of presidential decrees on issues not regulated by the republic's legislation and parliament. However, many speakers at today's parliament session pointed out that the draft law contradicted the Crimean Constitution and allowed the president to put his decrees into force not waiting for parliament to approve them. Furthermore, Meshkov has not yet signed the Crimea's restored Constitution of May 6, 1992, which for this reason cannot be considered effective at the moment.

After heated debates, the majority of lawmakers representing the Rossia faction voted to remove this issue from the agenda.

The parliament passed a decision on a three-kilometer-wide zone along the coast of both the Black Sea and the Sea of Azov, in which land plots can be allotted only with parliament approval. It was also decided to set up a temporary commission to examine all the plots allocated in this zone in the period of 1992-94 to ensure compliance of their acquisition with law.

After that, lawmakers got down to debates over the structure of the Crimea's new parliament.

Crimean Supreme Council Rejects More Power for Meshkov

LD0206175194 Moscow INTERFAX in English 1630 GMT 2 Jun 94

[Text] Today the Crimean parliament excluded from its agenda the issue on giving the force of law to the presidential decrees on the issues which were not as yet regulated by legislation. A total of 51 deputies voted for this decision (the total number of deputies in the Crimean parliament is 98).

Earlier, Crimean President Yuriy Meshkov had proposed that the Crimean parliament give him additional powers. Meshkov said his proposals concerning force of law to be given to the presidential decrees was of great importance for Crimea which would have more possibilities for quick reaction to the changing situation in Crimea and around it.

No Backing From Parliament on Direct Rule in Crimea

LD0206205794 Moscow INTERFAX in English 1751 GMT 2 Jun 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov and Andrey Petrovsky; edited by Vladimir Shishlin; all quotation marks as received]

[Text] Ukraine's Supreme Soviet has not given its backing to the proposals of several radical politicians to introduce direct presidential ruling in Crimea. In accordance with the resolution adopted by the parliament on Wednesday evening, early next week President Leonid Kravchuk is to submit a list of measures which can be used by Ukraine's state bodies in case the Crimean law-makers refuse to abolish legal acts which contradict to the Ukrainian Constitution.

The Ukrainian parliamentarians also reconfirmed that their resolution dated 20 May which suspends the decree of the Republic of Crimea on the restoration of the Crimean Constitution dated 6 May 1992 is still in force (This decree stipulates that the relations between Simferopol and Kiev are to be built on the basis of agreements; it fixes the right of the Crimean residents for dual citizenship and for the creation of their own armed formations—INTERFAX).

The parliament has set up the commission on legal policy to work out its proposals on introduction of changes into Ukraine's legislation, which admit "direct abolition of the legal acts of Crimea's Supreme Soviet," within two weeks." IF Note: Kravchuk offered to the parliament to form Ukraine's Constitutional court as soon as possible which will be authorized to abolish all "illegal" decisions of the power bodies of the Republic of Crimea. Kravchuk explained the need of its creation by the restriction of authorities of the Supreme Soviet which, as Kravchuk said, "can only suspend but not abolish illegal acts of this autonomy."

Commenting on the resolution adopted by the Ukrainian deputies, observers point out that it testifies to the adherence of the absolute majority of the parliamentarians to political methods to solve the Crimean problems. To this effect experts point to a small probability of a sharp worsening of relations between Kiev and Simferopol before the 26 June presidential elections.

According to the leader of the parliamentary delegation at the negotiations with the Republic of Crimea Vladimir Butkevich, "the Ukrainian party must do its utmost it order to halt the negative processes in Crimea." "We must do our utmost in order to accomplish this diplomatically without utilization of force."

At the same time observers indicate that the parliament majority did not support the initiative of the pro-Russian oriented parliamentary group Yedinstvo (Unity) which had proposed to ensure the equality of the Ukrainian and Russian languages in a legal way and to consider a possibility of Ukraine's transformation into a federation. It also failed to take into consideration the proposal of the leader of the inter-regional deputies group Leonid Kuchma to grant "a special status" to Crimea.

While forecasting further development of events, experts draw attention to the recent statements and restrained position of Ukraine's Defense Minister Vitaliy Radetskyy who declared that Ukraine's Defense Ministry has not sent a single soldier to Crimea over the last period of time."

Meanwhile, circles close to Crimean President Yuriy Meshkov do not rule out possibility that Kravchuk's team can use a tough scenario. As the leader of the presidential apparatus and the Crimean government Viktor Minin asserts, "Kiev maintains a 99-percent readiness to introduce presidential ruling in Crimea." In his interview with INTERFAX Minin declared that the situation on the peninsular "is used for a struggle at the highest political level" in Kiev (in this case Meshkov's spokesman means the wide spread version about Kravchuk's strive to take advantage of the tension around Crimea in order to postpone the presidential elections."

As Minin predicts, introduction of a direct ruling in Crimea may lead to a tough confrontation between Russia and Ukraine. "Russia will be forced either "to wash itself" or "to react," he noted and in case President Yeltsin does not undertake any moves then "Mr Zhirinovsky (leader of the Liberal Democratic Party of Russia—INTERFAX) and Russian servicemen will urge either tough measures from this power or replacement of power."

Lvov 'Active Vacationers' Leave 'To Defend' Crimea

LD0306081094 Kiev UNIAN in Ukrainian 2000 GMT 2 Jun 94

[Text] Kiev—The first group of "active vacationers" from Lvov is leaving for Crimea in the next few days,

Andriy Shkil, leader of the Ukrainian National Assembly-Ukrainian National Self-Defense [UNA-UNSO] Lvov branch, told UNIAN. The group will be 20-30 strong and its main task will be to "set the stage for the arrival of more groups."

According to Andriy Shkil, "active vacation groups" in Lvov Oblast have already about 200 volunteers on the rolls. But UNA-UNSO is unable to dispatch them to Crimea immediately for lack of money. "We are busy looking for sponsors of the action who would appreciate the need to defend Crimea," Andriy Shkil said.

Paratroopers Airlifted to Crimea

LD0306093694 Moscow ITAR-TASS in English 0905 GMT 3 Jun 94

[Report by ITAR-TASS special correspondent Vladimir Gondusov]

[Text] Sevastopol 3 June TASS—127 Ukrainian paratroopers arrived on two transport An-26 planes in the Crimea on Friday [3 June]. TASS learned from local military sources that the planes landed at the "Bilbek" airfield situated practically within the city of Sevastopol, which is the major base of the Black Sea Fleet.

The paratroopers are expected to form an airmobile company which will guard the airfield and secure airlifting of troops in case of necessity, according to the sources.

Earlier over 350 Ukrainian national guards were airlifted to Sevastopol from Ukraine. According to the Crimean Interior Ministry, thay are protecting public order in the city.

Kravchuk Calls for Court To Revoke Crimean Decisions

PM0206142494 Moscow IZVESTIYA in Russian 2 Jun 94 p 2

[INTERFAX report: "Kravchuk Proposes Formation of Constitutional Court To Rescind Illegal Decisions by Crimean Authorities"]

[Text] Ukrainian President Leonid Kravchuk has proposed the formation of a republic Constitutional Court in the near future, which would rescind all decisions by the Crimean organs of power which, in Kiev's opinion, are illegal.

"Under the Constitution the Ukrainian Supreme Council can only suspend decisions of the Crimean Supreme Council, not rescind them," he stated in the Ukrainian parliament Wednesday.

As the president noted, "Crimea must be placed within the framework of the Constitution and laws of Ukraine." In his opinion, "a party has come to power in Crimea which has proclaimed the strategic course of seceding from Ukraine and restoring Crimea to Russia."

Kiev took a sharply negative view of a recent decision by the Crimean Supreme Council on restoring the 6 May 1992 version of the Constitution of the autonomous republic. This makes provision, in particular, for the legal-treaty status of relations between Kiev and Simferopol and the possibility for Crimeans to obtain dual citizenship.

L. Kravchuk proposed that the Supreme Council make amendments to the law on delimitation of powers between Kiev and Simferopol, "making provision for an expansion of the powers of the Crimean organs of power." At the same time the president deems it necessary to amend the laws on the security service and the militia. The power structures throughout Ukraine should be under central jurisdiction alone, he noted.

In L. Kravchuk's opinion a subcommission should be set up in the Ukrainian parliament "to deal only with Crimean problems." At the same time he expressed agreement with the proposal to introduce in the Ukrainian Cabinet of Ministers the post of vice premier for territorial questions.

L. Kravchuk also pointed to the need speedily to resolve the problem of the Black Sea Fleet, including "the question of dispersing the Ukrainian and Russian fleets to their bases and clearly defining the status of the Black Sea Fleet on Ukraine's territory." "This will have a considerable positive effect on the situation in Crimea," he said.

Official Rejects Use of Force in Crimea

LD0206205694 Moscow ITAR-TASS in English 1921 GMT 2 Jun 94

[Report by UKRINFORM special correspondent Sergey Balykov for TASS]

[Text] Simferopol June 2 TASS—"We are strongly convinced that any use of force in dialogue with the Crimea is unacceptable. We would like to solve problems and not to exert pressure, to cooperate and not to inspect and supervise", said Vladimir Butkevich, head of the Ukrainian Parliament's Commission for Human Rights, National Minorities and Inter-Ethnic Relations.

Butkevich, who is also a U.N. expert in human rights, leads a Ukrainian parliamentary delegation that arrived on Thursday in the Crimea for talks with local lawmakers.

The delegation comprises members of parliament's various commissions and experts. A similar working group, headed by the republic's Deputy Parliament Speaker Aleksey Melnikov, was set up by the Crimean side.

Later in the day, the two delegations met at the negotiating table. They are to discuss and bring in line Crimean and Ukrainian legislations, to tackle some sensitive economic, legal and other issues. The talks following up the Kiev dialogue are attended by representatives of the

Crimean president and government. Nevertheless, Butkevich noted, the Crimean leaders understand quite well the dangerous character of the situation and are ready to work in close cooperation to solve the common problems. We do not have any antagonistic contradictions, he stressed. We should remember that the Crimea is an integral part of Ukraine, that we are members of the same family, the same state, therefore all issues should be solved in a quiet and civilized manner. We need another several months to find necessary solutions, Butkevich went on to say. But I am confident that the current meeting will set a constructive beginning to this process, he stressed.

The meeting in the Crimean capital Simferopol will concentrate on possible ways to bridge the existing discrepancy between the Crimean and Ukrainian Constitutions, as well as to improve relations between Ukraine and its constituent republic. Under Crimean laws, relations with Ukraine should be built on a treaty basis, while Ukrainian legislation does not provide for any federated arrangement. Also raised at the talks will be the issue of dual citizenship.

Although both delegations are eager to undo the existing knot of contradictions, the talks are expected to be rather tense. They will be certainly lobbied by local pro-Russian forces, whose activists gathered outside the Crimean parliamentary building to express their attitude towards the arriving Ukrainian delegation.

Crimean Deputies Applaud Speeches by Ukrainian Delegation

LD0206213894 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 2 Jun 94

[Text] Volodymyr Butkevych, leader of the Ukrainian parliamentary group, who arrived in Crimea to solve the acute issues in relations between the Ukrainian state and its autonomy, and Ukrainian People's Deputy Yuriy Karmazin spoke at a plenary session of the Supreme Council of the Republic of Crimea on 2 June. They informed the Crimean Supreme Council deputies about the delegation's objective, called on them for cooperation, and answered their questions. Regret was expressed in connection with the fact that the Crimean delegation was absent from the Ukrainian Supreme Council session on 1 June, at which the problems of the peninsula were considered.

It is indicated that the speeches by the guests from Kiev were applauded by the Crimean deputies.

1992 Crimean Constitution Still Not in Force

LD0206175694 Moscow INTERFAX in English 1630 GMT 2 Jun 94

[Text] Crimean President Yuriy Meshkov announced in the Crimean parliament that he had not as yet signed the law on restoration of the constitutional basis of Crimean statehood adopted by the Crimean parliament on May 20.

Crimean Minister of Justice Lyubov Yeliseyeva-Bora said that the Crimean constitution of May 6, 1992, had not been published in media and thus was not enacted.

The Crimean constitution of May 6, 1992, provides for greater autonomy for Crimea within Ukraine and for dual citizenship for Crimean inhabitants.

CSCE High Commissioner for Minorities Meets Crimean Tatars

LD0206204694 Kiev UNIAN in Ukrainian 1645 GMT 2 Jun 94

[Text] Simferopol—On 2 June, Max van der Stoel, the CSCE high commissioner for minorities, who has visited Ukraine three times over the past six months, met Mustafa Dzhemilev, head of the Majlis of the Crimean Tatar people. During a discussion on the status of the Crimean Tatars in Crimea, the possibility of extending aid to the Crimean Tatars along CSCE lines was discussed. It was decided to render such aid to Ukraine as a whole, however, within the framework of a program targeted at Crimean Tatars.

Max van der Stoel had his second meeting with Crimean Deputy Prime Minister Yevgeniy Saburov. Summing up the results at the request of a UNIAN correspondent, Saburov pointed out that the talks were, first and foremost, about the status of Russians in Crimea, because Russians are a national minority in Ukraine. According to Saburov, he "told Max van der Stoel about the pressure exerted by the leadership of Ukraine."

Saburov also commented on the outcome of the sitting of the International Trade Club, which took place last week in Crimea. He reported that the trade representatives of the embassies sent a letter of thanks for the warm reception, and declared that the representatives of business circles who arrived in Crimea got the impression that the conflict there is not a result of some ethnic processes but just as a result of a conflict between political elites. Saburov underlined: "I am glad that the representatives of the embassies left Crimea as our supporters."

On the same day, Max van der Stoel met Serhiy Tsekov, chairman of the Supreme Council of Crimea and Leonid Hrach, first secretary of the Communist Party of Crimea.

On 3 June, the CSCE High Commissioner Max van der Stoel is expected to arrive in Kiev where he will meet the Ukrainian president.

Acting Premier Calls for Action Against Mafiosi

LD0306102994 Moscow ITAR-TASS in English 0841 GMT 3 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev June 3 TASS—Ukrainian acting prime minister, parliament member Yukhym Zvyahilskyy today called on the Supreme Soviet of Ukraine to take the most resolute measures to defend the national interests of the state. He urged it to investigate in detail the attempt on the life of parliament member Vladimir Bortnik, to ensure law and order, and to set up an effective legal mechanism for this purpose.

"An outrageous attempt on the life of Vladimir Bortnik, Ukrainian parliament member and president of a state concern providing material and technical supplies and services to the country's agro-industrial complex, was committed on May 30," Zvyahilskyy said.

"The Ukrainian political and state leader was gravely wounded by five bullets fired pointblank by hired killers. His life is in danger."

"The anti-state mafiosi structures," Zvyahilskyy stressed, "which have lost the elections, are now unleashing a reign of terror against the state and the people. It is not without reason that the killers have chosen Vladimir Bortnik as their victim. He had opposed attempts to rob Ukraine, refusing to buy oil products and other materials for agriculture at prices, dictated by the mafia.

"The brazen attempt on the life of Ukrainian parliament member Vladimir Bortnik, committed in broad daylight in the very centre of Kiev, shows that even the first frail sprouts of economic and political stability in Ukraine and the government-planned course of gradually raising the people's living standards infuriate the anti-state groupings and mafiosi structures, which are used to shamelessly robbing our country and our people. They have repeatedly threatened to make short work of members of the government and me personally, as acting premier of Ukraine. Now they have gone over from threats to outright terror."

"The impunity with which the anti-state mafiosi groupings had acted so far," Zvyahilskyy said, "cannot be tolerated any longer, because this threatens the national security of Ukraine and the vital interests of our citizens."

Short Circuit at AES Causes False Alarm

AU0306094494 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 2 Jun 94 p 1

[Viktor Krokhmalyuk report: "False Alarm"]

[Text] At 0220 hours on 29 May, the generator of unit No. 1—the only one at the Khmelnytskyy Atomic Plant—was disconnected from the network as a result of a false triggering of the system of protection of the block transformer due to a short circuit in the strands of the control cable. The automatic system unloaded the reactor installation to the level of 10 percent of its nominal load. After the fault was repaired power unit No. 1 was reconnected to the network at 0230 hours on 30 May. There were no violations of the limits or conditions of safe operation or changes in radioactivity.

Resolution Against Postponing Election Supported by 201

LD0206140394 Kiev UNIAN in Ukrainian 1245 GMT 2 Jun 94

[Excerpts] Kiev [no date as received]— A session of the parliament on 2 June examined a resolution "On the Ukrainian president's proposal to the Supreme Council on postponement of the election of the president of Ukraine, local councils, and local council chairmen scheduled for 26 June 1994." The resolution says that, taking into account the current preparations for the elections, as well as the fact that postponement of the election would affect social and economic reforms, postponement of the election is deemed inexpedient. The resolution instructs the Supreme Council Commission for Legal Policy and Legal and Judicial Reform and the Commission for State-building, Council Activities, and Self-government to submit before 12 June proposals to the parliament regarding draft laws regulating the powers of the president of Ukraine, the government, and local authorities. [passage omitted]

Despite calls from deputies who wanted to make remarks on the voting procedure, Oleksandr Tkachenko, first deputy Supreme Council chairman (Oleksandr Moroz is informally reported on sick leave), put the draft resolution to a vote, and 201 voted to adopt it in principle. [passage omitted]

Kravchuk Proposes Prime Ministerial Candidates

LD0206153894 Kiev UNIAN in Ukrainian 1245 GMT 2 Jun 94

[Text] Kiev—Ukraine's Supreme Council Presidium held a meeting on 1 June attended by the chairmen of the parliament's commissions and deputy group leaders. President Leonid Kravchuk attended the meeting and proposed candidates for the post of Ukraine's prime minister.

According to parliamentary sources, the candidates proposed by the president include Vitaliy Masol, Pavlo Lazarenko, Anatoliy Holubchenko, and Valentyn Symonenko.

Other nominees are Acting Prime Minister Yukhym Zvyahilskyy, and Ukraine's Liberal Party leader Ihor Markulov.

Presidential Hopeful Kuchma Outlines Views

PM0206093794 Moscow ROSSIYSKAYA GAZETA in Russian 31 May 94 First Edition p 2

[Interview with Leonid Kuchma, former Prime Minister of Ukraine and incumbent President of the Ukrainian Union of Industrialists and Entrepreneurs, by Boris Sverdlov; in Kiev, date not given: "Leonid Kuchma: Ukraine Cannot Manage Without Economic Alliance With Russia"]

[Text] Kiev—Former Prime Minister Leonid Kuchma, who is currently president of the Ukrainian Union of Industrialists and Entrepreneurs, is one of the most popular figures in the republic. Some people—and they constitute a majority—are ready to support Leonid Danilovich without hesitation in the presidential election despite serious failings in the economy under his government. Others—they, too, are fairly numerous—place virtually every catastrophe ever to have befallen Ukraine at his door. While the mass media never tire of forging an antihero out of him. Nevertheless, at this point in time he is firmly rooted on the front row of the ratings grid, shunting L. Kravchuk into second place. Kuchma himself attributes this to the following:

[Kuchma] I have always spoken the truth; indeed, I always do speak the truth. It may not be very nice, but it is the trutl.. Most people like to hear the truth, but not everyone. Can you really tell me that my assertion that we cannot survive without economic alliance with Russia will please those who envisage a Ukraine geared toward the West? Or else I am reproached nowadays with not having had a clear idea of the type of state which we are building—socialist, or capitalist—while executing the duties of head of the government. In actual fact I did not know, and I was not ashamed to ask the legislators about this in public.

[Sverdlov] What do you think of the new Ukrainian parliament?

[Kuchma] My position is known. I would like to see the Supreme Council occupied not so much with politics as with economics. Unfortunately, many representatives from political parties were elected to it. On the one hand the parliament is too right-wing, and on the other it is too left-wing. If the extremes fail to meet each other halfway, Ukraine will lie idle for a long time yet. The managerial corps acceded to legislative power in too weak a condition. However, there are many deputies in parliament who are ready to devote their efforts entirely to reviving the economy. I pin great hopes on them.

[Sverdlov] You are aware that a consultative poll of the population was conducted in the Donbass during the elections. The overwhelming majority expressed support for Ukraine's entry into the Commonwealth of Independent States, a federal structure, and the attribution to Russian of the status of the second state language. Do you share their point of view?

[Kuchma] I have advocated and still advocate Ukraine's entry into the CIS. Nobody is waiting to receive us in the West as yet. Especially with the quality of goods being produced at current levels. Which is why it is essential to make every effort to support integration toward the East. Yet we are doing everything possible to prevent this. It is very easy to lose the sales market in Russia. There will be states poised to fill the niche. Indeed, they are already filling the gaps. It is far harder to conquer the market afterward. Indeed, once it gets used to doing without us, Russia will hardly want to begin focusing attention on us again. In this respect I am in complete sympathy with the Donbass people. As, indeed, I am on the point of the regions' possessing greater autonomy. I stated this on the very first day after Ukraine acquired independence. As for the language problem, I believe that the state language should be just Ukrainian, but that the official languages should be Russian and Ukrainian.

[Sverdlov] What is the difference?

[Kuchma] The state language is the language of diplomacy and law. Official languages apply in every other sphere.

[Sverdlov] It became known recently that you advocate setting up a party of industrialists and entrepreneurs. Have you set about fulfilling this task?

[Kuchma] Without an influential party of industrialists and entrepreneurs, it is very difficult to resolve questions of reforming the economy. And we will set up such a party in the very near future. There are many deputies in the new parliament with a tremendous desire to top up the ranks of our party, and this will open the way to forming the type of government which will not be in awe of the Supreme Council.

[Sverdlov] What economic program will you be taking to the presidential election?

[Kuchma] Look first at what is happening with the republic economy. In the first quarter of this year alone industrial output fell by one third. In the machine-building sector it fell by 40 percent. Hundreds of enterprises have ground to a halt. And both the domestic and foreign debts have hit astronomical figures.

My program for getting out of the crisis is primarily the program of the Union of Industrialists and Entrepreneurs. As for the first steps, it is above all necessary to loosen taxation on commodity producers. They are quite simply being suffocated by them. Accounting by promissory note [vekselnyy zachet] should also be carried out between enterprises, as this will provide an opportunity to identify bankruptcies. Some of these enterprises, having no future, will have to be shut down, while others will have to be retooled. And of course, we should renounce the fixed rate for the karbovanets against the dollar, which renders all our output for export loss-making.

[Sverdlov] But if you are gunning for bankruptcies, then it follows, for instance, that coal enterprises first and foremost must be cut back. It is these enterprises which are currently up to their eyeballs in debt.

[Kuchma] The wisdom of any government resides in its skill in forecasting. Otherwise the hatchets could come down too vigorously! Yes, the coal enterprises in Ukraine are loss-making. However, we have no other fuel. Which means that investment and state support are necessary.

[Sverdlov] Today many people are stressing the inexpediency of holding a presidential election. What is your view on this score?

[Kuchma] There is a law, and it should be observed. There are no grounds for calling off the presidential election.

Communist Faction Issues Statement on Reformers

WS0206103394 Kiev HOLOS UKRAYINY in Ukrainian 27 May 94 p 3

[Statement by the faction of Ukraine's communists; place and date not given]

[Text] For over three years, Ukraine, which became an independent state, has been suffering from inflation, hunger, poverty, paralysis of production, and the degradation of science, culture, and moral principles. During this period, the economic policy was senseless, helpless, and antinational. Only three years more of such policy are required to make Ukraine a source of raw materials, cheap labor, and to turn it into a underdeveloped colony. Let us recall who is the initiator and the advocate of this sycophantic policy.

From the very beginning of the existence of the former Supreme Council, V. M. Pylypchuk, O. S. Emelyanov, and V. M. Pynzenyk played an active part in imposing the principles of market reforms. Their program foresaw the "liberalization" of prices, privatization of state enterprises, and the introduction of a national currency. This program praised the price policy of a "shock therapy"—imposed on Russia and Ukraine—which became a lever for robbing people.

In March 1992, the president submitted "Fundamentals of National Economic Policy" for consideration by the Supreme Council. Former presidential adviser O. S. Emelyanov headed the drafting collective. Former instructor V. M. Pynzenyk and other persons also participated in drafting this program. V. M. Pylypchuk, chairman of Supreme Council commission for economic reforms, supported this program in its entirety. Key principles of this program are as follows:

1. Russia is an enemy. It is necessary to isolate Ukraine from Russia as soon as possible. This could lead to the disruption of contacts and stoppages of deliveries, and to a crisis in wholesale prices;

2. It is necessary to introduce a national currency as soon as possible (though it is not covered by goods or currency reserves!);

3. It is necessary to introduce a system of clearing accounting between the CIS states (which halted deliveries and thus triggered a payment crisis what cost Ukraine losses in the multibillions).

4. It is necessary to reorient the Ukrainian economy toward integration with the West (nothing comes of this, because entering new markets requires constant effort). These mindless adventurous measures complicated a situation in Ukraine that was already difficult.

Meanwhile, V. G. Lanovyy—who worked in the cost-accounting laboratory at a state enterprise, and later headed the department at the Ukrainian Academy of Sciences Institute of Economics— appears on the scene. V. M. Pylypchuk and V. G. Lanovyy were involved in the introduction of tear-off coupons. All of a sudden, an abstract dogmatist became minister of economy and vice prime minister dealing with the reforms. He drafted a regular populist thick "program," the essence of which was narrowed to the illusory plans regarding privatization and liberalization of prices. Nobody took this program seriously because it did not correspond to Ukrainian reality. The program did not contain anything revolutionary or original. V. G. Lanovyy was dismissed because of his absolute inefficiency. However, currently, he depicts himself as a discredited fighter for reforms. There is nothing new in this. All populists behave this way. Rukh also suffers from the same illness.

V. M. Pynzenyk, a theoretician of the same ilk, became minister of economy and vice prime minister dealing with implementing reforms. Therefore, his first moves—the untimely withdrawal from the ruble zone, the recommendation that the National Bank chairman, who voiced doubts over the opportunity to quickly introduce new money, resign—present nothing strange. He opposed union with Russia and CIS states. He and his friends drafted several dozens of programs and finally put the economy into a state of confusion.

Beginning in late 1992, he embarked on a wild increase in prices which continued until January 1993. He also drafted three projects addressing the implementation of the "Fundamentals of National Economic Policy." Due to the lack of time, L. D. Kuchma had to submit the third draft—without reading or introducing amendments—for consideration by the Supreme Council.

V. M. Pylypchuk, V. M. Pynzenyk, and V. G. Lanovyy did not consider the economic and social situation in Ukraine and advocated primitive measures, which they borrowed, first of all, from U.S. theories. All their reforms are reduced to one concept: liberalization of

prices, introduction of free foreign trade, quick privatization, sale of land, bankruptcy of loss-bringing enterprises and collective agricultural collectives, and restoration of tough money and credit policy to oppose inflation. Life showed that all this is harmful to Ukraine.

The international conference—devoted to market reforms—was held from 19 to 23 May in Ukraine. This was, in fact, a political meeting, which was attended by all avid proponents of shock therapy: Sachs, Balcerovicz, and others. Ukraine was represented by our "heroes" V. M. Pylypchuk, V. M. Pynzenyk, and V. G. Lanovyy.

Ukrainian representatives of alternative economic methods did not participate in the conference. U.S. "professors" called for not protecting the Ukrainian economy from the crisis but allowing it to undergo "structural changes" prompted by blows arising from the crisis in sales and payments.

Only when V. M. Pynzenyk and V. G. Lanovyy were dismissed and V. M. Pylypchuk bridled his energy by being unable to think realistically and in connection with launching an election campaign, the statements that inflation could be kept down and on the crisis in payments and production was challenged.

Minister of Economy R. V. Shpek also tries to continue the implementation of the Western wild market policy. According to him, even state regulation means liberalization of prices (we cite him!). Under his office, the Ministry of Economy turned into an unimportant department for carrying out propaganda.

V. M. Pynzenyk, V. G. Lanovyy, M. Pylypchuk, and R. V. Shpek make attempts to become real compradors, and encourage the policy of states-colonizers. All their reforms are new versions of primitive Western recipes that do not take Ukrainian conditions into consideration. They are pushing our people into poverty and Ukraine—to a colonial dependence. They cannot become leaders of Supreme Council economic commissions.

Plyushch Calls for Tough Economic Measures

LD0206114394 Moscow ITAR-TASS in English 1057 GMT 2 Jun 94

[Report by UKRINFORM correspondent Sergey Kravchenko for TASS]

[Text] Dnepropetrovsk June 2 TASS—Speaking at an election meeting in the mining academy on Thursday, Ivan Plyushch, Ukrainian presidential candidate and former parliament speaker, called for tough economic measures.

"The time for mild decisions has gone. Tough measures are need to avoid cruel and repressive ones," he said.

Plyushch believes that it is necessary first of all to form a team of like-minded people in the new parliament to shoulder the entire responsibility. He is convinced that to do that there is no need to enter into confrontation or reorganise the new parliament. It is necessary simply to make competent use of those powers which the old one granted to the executive branch, he pointed out.

The presidential candidate is of the opinion that it does not basically matter whom the Cabinet of Ministers would be accountable to—the premier or the president. It is important that firm executive power be wielded by one body and act effectively.

Plyushch is confident that in order to get the first sprouts of stabilisation now, it is enough to liberalise production, including foreign economic activities, reinstate the law on the state enterprise, bring into the operation the law on foreign activities and foreign investments and see to it that the production demonopolisation mechanism begins to operate and the law on the banking system is upgraded.

Sevastopol Official Against Dual Stationing of Fleet

LD0206201294 Kiev UNIAN in Ukrainian 1645 GMT 2 Jun 94

[Text] [No dateline as received]—Viktor Semenov, head of the Sevastopol city council of people's deputies, stated at a news conference on 2 June that two fleets cannot be stationed in Sevastopol. He backed up his opinion by saying that the servicemen of Ukraine's naval forces and those of the Black Sea Fleet are "biologically incompatible." Also, Viktor Semenov referred to the statements by the defense ministers of Ukraine and Russia, in which they called relations between the servicemen of the two fleets normal, as misinforming journalists and the public.

In this connection, the press center of Ukraine's naval forces made public a statement, which, in particular, says: "Admitting the fact that Semenov has the right to express his personal opinion, the press center of Ukraine's naval forces is at the same time authorized to declare that such statements by an official, who is a member of the military council of Ukraine's naval forces, are of a provocative nature and they do not promote the negotiating process on the Black Sea Fleet. Objectively, the servicemen of Ukraine's naval forces and the Black Sea Fleet, who have for many years been serving together, cannot have differences; moreover, relations between them cannot be brought down to a "biological" level. The above statement can turn political problems between Ukraine and Russia relating to the Black Sea Fleet into interethnic problems whose consequences can hardly be predicted."

The command of Ukraine's naval forces is also surprised and indignant over a statement by the head of the city council to the effect that "the Sevastopol naval institute is vacant" and over the "groundless proposals" concerning the further use of its base. The statement by the press center of the naval forces of Ukraine indicates that the educational process is now under way at the institute

and all the institute's funds will be further used in the interests of building Ukraine's naval forces.

The statement by the press center of Ukraine's naval forces expresses the conviction that "no ill-considered statements by politicians can stir up enmity between the servicemen of Ukraine's naval forces and the Black Sea Fleet. As far as political issues are concerned, these are to be tackled by politicians."

Kravchuk Signs Decree on Credit Emission for Agriculture

LD0206223194 Kiev UNIAR in Ukrainian 2200 GMT 2 Jun 94

[Text] Kiev, 2 June—Ukrainian President Leonid Kravchuk signed an edict on a credit emission for agriculture. According to expert estimates, the emission will amount to several trillion [as received] karbovantsi.

Survey Shows Population in Decline

LD0306100694 Kiev UNIAR in Ukrainian 2200 GMT 2 Jun 94

[Text] [No dateline as received]—A survey conducted by the Institute of Sociology of the National Academy of Sciences reveals a troubled demographic situation in Ukraine. Birth rate has fallen from 12.1 children per 1,000 residents in 1991 to 10.8 per 1,000 in 1993. The number of deaths per 1,000 has risen from 12.9 in 1991 to 14.2 in 1993, twice exceeding mortality rates in Western Europe, Canada, and Japan. Population growth rate in the past three years has been negative. In 1991, the growth indicator was (- 0.8), in 1992 (- 1.9), and in 1993 (- 3.4) per 1,000.

Child mortality is far above the European average. In early 1994, death rate among children was 14.4 per 1,000, with the average rate in developed countries at 3.5 to 7.0 per 1,000. Only 30 percent of Ukrainian babies are born healthy.

Belarus

Embassy Asks U.S. To Confirm Missile Aiming

WS0206125894 Minsk Radio Minsk Network in Belarusian 1200 GMT 2 Jun 94

[Text] Our reporter has learned that the Belarusian Embassy addressed the U.S. National Defense Council on 31 May requesting confirmation that U.S. strategic missiles are no longer aimed at Belarus. The request was prompted by the fact that the U.S.-Russian declaration of 14 January 1994 confirmed the intention of the presidents of the two states to discontinue aiming their strategic missiles by 30 May 1994. The State Department confirmed to the embassy that the aiming of all U.S. strategic missiles had been discontinued, including those aimed at Belarus, from whose territory Russian strategic missiles are currently being withdrawn. Our reporter points out that this is an important step toward definite elimination of the traces of the Cold War.

Authorities Seen Clamping Down on Independent Media

MK0206104094 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 22, 29 May-5 Jun 94 (Signed to press 31 May) p A3

[Unattributed report in the "Mass Media" column: "A Political Gag. All Avenues to Readers and Listeners Have Been Cut Off to Opposition Belorussian Journalists"]

[Text] The management of a number of opposition mass media of Belorussia [Belarus] have been advised about the impossibility of their further functioning. The Belorussian Press House, for instance, told Igor Germenchuk, editor of SVOBODA weekly, that it will not publish his paper while the Ministry of Communications will not disseminate it through its channels. Germenchuk received no official explanation, but he is sure that corresponding orders to the Press House and the Ministry of Communications have come from the Belorussian Council of Ministers. According to the editor, such ill-considered action by government structures has been prompted by the publication in SVOBODA's latest issue of a letter from a soldier who told about his participation in servicing a hunting spree by republic Prime Minister Vyacheslaw Kebich and his retinue.

Under the pretext of reorganizing the Belorussian National TV and Radio Company, two radio stations broadcasting on the state radio wire network—Belorusskaya Molodezhnaya and Krinitsa—have been closed. These facts are not an exception but the regular attitude by Belorussian official authorities to independent mass media. It should be recalled that independent TV companies were not granted the right to broadcast on Channel 8 only until their leadership undertook not to "air any politics." Attempts were made to close Belorussian private news agency BELAPAN. After the agency reported a statement by people's deputy Aleksandr Lukashenko about contacts between top state officials and representatives of the mafia, a ban was imposed on using BelaPAN information on the radio. A little more than a month ago the Information Ministry annulled the registration certificate of newspaper NOVOSTI BELORUSSKOGO NARODNOGO FRONTA.

Election Campaign Officially Under Way

LD0206185994 Moscow INTERFAX in English 1635 GMT 2 Jun 94

[From the "Presidential Bulletin" feature No. 105 (595) by Nikolay Zherebtsov, Andrey Petrovskiy and edited by Vladimir Shishlin]

[Text] The election campaign officially began in Belarus on Thursday, June 2, to last until June 22, one day before elections to choose the republic's first president.

There are six contestants in the election race: the Agrarian Party's leader Aleksandr Dubko, the Prime Minister Vyacheslav Kebich, the former chief of an ad hoc anti-corruption parliamentary commission Aleksandr Lukashenko, the Communist Party's Secretary Vasiliy Novikov, the Popular Front's leader Zenon Poznyak, and the ex-parliament's speaker Stanislav Shushkevich.

They received their certificates of candidates at a formal ceremony on Wednesday. In keeping with Belarusian legislation, all of them have equal material, technical, and financial opportunities in the election campaign, during which they can be relieved of their office duties with their pay to be retained, and so can be their canvassers. Each candidate is entitled to up to 20 canvassers.

A nominee has the right to a free fare for all means of transportation but taxi. He cannot be persecuted, arrested or detained without the Central Election Committee's consent.

Local observers rate Kebich's election chances as best and refer to the outcome of the last poll, in which more than 68 percent of respondents favoured a president that must support monetary integration with Russia by all means. As is known, Kebich is the initiator and consistent advocate of such an alliance. In his last interview with Interfax he plainly declared that if he won presidential elections, he would press for putting the monetary integration agreement with Russia into effect.

Analyzing what has helped Kebich's team to prevail at the first stage of the election race, opposition experts point to the active role played in his election campaign by state central and local authorities.

Meanwhile, the Popular Front's leader Poznyak has no doubt in his victory, as his canvassers have declared at a news-conference recently. They reminded journalists that Poznyak had collected 230,000 signatures, the second best result after Kebich. As Poznyak himself told

newsmen, "although local authorities resisted the collection of signatures for an opposition candidate, he has enlisted more support for himself than all other candidates in Minsk and some other industrial centers."

However, as observers believe, his chances to win are slim. According to the election poll, 61 percent of the electorate believe that a president must not represent any political force, and nearly 60 percent of respondents wished that a head of state be a centrist.

Although the election campaign was launched on Thursday, contestants had already exposed their views on the key issues in the press and in public statements. For instance, Kebich outlined his election program in an exclusive interview with Interfax (see the Presidential Bulletin of June 1).

The Communist Party's nominee Vasiliy Novikov promises, if elected, to do away with vouchers as means to privatize people's homes and businesses since, in his opinion, such privatization "has never justified itself."

He has told an Interfax correspondent that he "does not rule out alliance with any candidate but Shushkevich and Poznyak, if he goes through into the second round of elections."

He argues that "Belarus had the highest sovereignty only within the Soviet Union." He also reported that "the Belarusian Communist Party currently unites more than 25,000 people and has branches in virtually all parts of the country."

"For ethical reasons," he did not name a candidate to the post of prime minister in the event of his election victory, but noted that the composition of the current cabinet and parliament be preserved as much as possible. IF Note: As Shushkevich earlier told Interfax, should he win presidential elections, his cabinet be taken over by the National Bank's Chairman Stanislav Bogdankevich. As is known, Bogdankevich has been repeatedly censured by lawmakers and government officials for his opposition to monetary unity with Russia and for some of his decisions, including the May 18 National Bank's decision to recognize "hares" (national banknotes) as the only legal tender in Belarus pending monetary integration with Russia.

Kebich at Top of Political Popularity Chart

LD0206180994 Moscow INTERFAX in English 1630 GMT 2 Jun 94

[Text] Belarusian Prime Minister Vyacheslav Kebich's political popularity has doubled, officials at the Belarusian Political Research Center Eridan announced today.

Kebich leads the list of the officially registered candidates to the post of president with 372,000 signatures in support of his candidacy.

Ex-speaker of the Belarusian parliament Stanislav Shushkevich and leader of the Agrarian Party Aleksandr Dubko secured the smallest number of signatures (123,000 and 117,000, respectively). The other candidates are former head of the temporary parliamentary commission for combating corruption Aleksandr Lukashenko, Secretary of the Communist Party's Central Committee Vassiliy Novikov and leader of the Popular Front Zenon Poznyak.

An opinion poll held by the Eridan Center revealed that the popularity of Lukashenko, Novikov and Dubko has increased from 2 to 4 percent since April, while that of Shushkevich has gone down from 9.8 to 7.1 percent and Poznyak—from 5.4 to 4 percent.

The same poll showed that 57.8 percent of the respondents welcome the unification of the Russian and Belarusian monetary systems, and 77.7 percent favored the creation of a Belarusian-Russian financial and economic union.

Communist Candidate Calls for Halt of Privatization

WS0206104294 Minsk BELAPAN in Belarusian 1400 GMT 1 Jun 94

[Text] If Vasil Novikaw, secretary of the Central Committee of the Party of Communists of Belarus [PKB], wins the presidential election, certain economic reforms will be halted—namely, the privatization of housing and industrial enterprises by means of vouchers. This was stated by Syarhey Kalyakin, secretary of the PKB Central Committee, at a news conference held by the PKB leadership. According to Kalyakin, Vasil Novikaw will participate in the first round of the elections—this has been decided by the PKB Central Committee. Kalyakin also noted that "if the situation changes, it will not be ruled out that Novikaw could form a bloc with one of the following three candidates—Kebich, Dubko, or Lukashenka. Such a bloc is by no means possible with Paznyak or Shushkevich.

Commenting on the slogan of his presidential campaign—"To return to the people that which they have been deprived"—Vasil Novikaw stated that "in the first place, it is necessary to restore social guarantees and rights which were achieved during the Soviet period. It is necessary to return to a great, powerful state, great friendship among the people, and real people's democracy." The presidential candidate called the presidency "a foreign body in Slav civilization" and noted that given a victory of left forces at the presidential and parliamentary elections, it would be quite possible to propose eliminating the presidency. Novikaw stated that as of today, he has almost completed his team for changing the current government in the event of his election victory. However, according to Novikaw, even now, the government includes "specialists and honest people whom we know and will keep at their posts."

Budget Report for 1993 Submitted to Government

LD0206194894 Minsk Belarusian Foreign Ministry Department of Information in Russian 1341 GMT 2 Jun 94

[Text] The Council of Ministers of Belarus has approved and submitted for confirmation to the Supreme Soviet a report on fulfillment of the republican budget for 1993. According to the report, the revenue was 2,106,904,000,000 rubles and the expenditure was 2,500,282,000,000 roubles. Therefore the expenditure exceeded revenue last year by 393,377,000,000 rubles.

Moldova

Turkey's Demirel Visits Gagauz Districts

LD0206103594 Moscow ITAR-TASS in English 0949 GMT 2 Jun 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] 2 June TASS—Turkish President Suleyman Demirel, currently paying an official three-day visit to Moldavia [Moldova], went today to the southern part of the Republic, mostly inhabited by Gagauzs, a people of Turkic origin. He is accompanied by President Mircea Snegur and other officials.

Demirel stated the day before that Turkish businessmen were ready to invest in the Moldavian economy. Most of the investments will be made in the Gagauz districts. At the same time, he expressed his support to the efforts of the Moldavian leadership to ensure the Republic's territorial integrity.

"We back the negotiations process between the Gagauz population and the Moldavian central leadership, intended to give our brothers a chance to live on their native land as citizens, who respect the territorial integrity of Moldavia and enjoy a legal status making for their further development," Demirel stated.

The Gagauz leaders also pin great hopes on Demirel's visit. "This visit will, without a doubt, contribute to the political settlement of the Gagauz problem. This will allow us to switch over to the solution of our economic problems, to the improvement of the people's living standards," ITAR-TASS was told by Stepan Topal, the president of Gagauzia.

According to the Gagauz leader, the Turkish side is ready to help develop telephone services in the Gagauz districts, to build roads there, and to re-equip the local processing enterprises and other factories.

Demirel will sign with Moldavian President Mircea Snegur a treaty of friendship and cooperation between the two countries. Several agreements on cooperation in the sphere of culture, transport services, agriculture, and in combatting crime will also be concluded. The heads of the two states are expected to decide the terms for large Turkish investments in the Moldavian economy. On the last day of the visit Demirel will attend the opening of the Turkish Embassy in Moldavia, after which the signing of the official documents will take place.

Comments on UN Report, Visit

TA0306101194 Ankara TRT Television Network in Turkish 0700 GMT 3 Jun 94

[Announcer-read report]

[Text] President Suleyman Demirel has said that the methods pursued so far on the Cyprus issue have not yielded any results, adding that the time has come to try a new approach. Demirel said: A reasonable solution is being sought. A reasonable solution cannot be found by making territorial concessions as well as concessions involving the flag. Yavuz Yorulmaz reports from Kishinev:

[Begin Yorulmaz recording] Demirel, who is in Moldova on an official visit, held a news conference yesterday evening and assessed his contacts. He also replied to reporters' question on foreign policy. In reply to a question on Cyprus, Demirel said that the Cyprus problem cannot be solved through the recent report prepared by the UN secretary general. He added: There have been many similar reports in the past. What is being sought? It is a bizonal and bicommunal federation. The Butrus-Ghali report states that this method has so far not yielded any results. A bizonal and a bicommunal Cyprus solution is not yielding any results. As was the case prior to 1963, if you try and bring together two peoples with separate languages, religions, and cultures in a world where federations are crumbling will the problem be solved?

Demirel also described as unjust the fact that the Western countries have so far failed to recognize the Turkish Republic of Northern Cyprus. He added that the 150,000 Turkish Cypriots living on the island have been isolated and that no results have been achieved from the efforts exerted within the framework of the United Nations. Demirel said: This is the case because they want the flag as well as territorial concessions. When you give both away then you cannot explain such a solution to anyone. Demirel noted that the Cyprus solution should be acceptable to the Turkish Cypriot people. He added: The methods pursued so far have not yielded any results. The time has come to try a new method.

Assessing his visit, Demirel said that his contacts in Ukraine and Moldova was aimed at seeking cooperation between Turkey and these countries. Pointing out that during his contacts he also found the opportunity to discuss the situation of the Crimean Tatars and the Gagauz Turks, Demirel said that no one should be concerned that these issues have been included on Turkey's agenda. Demirel noted that Turkey has a historic responsibility toward the Crimean Tatars and the Gagauz Turks, adding that it will be appropriate to extend financial and moral support to these peoples.

Demirel added: Turkey is obliged to act in line with the requirements of a great state. Pointing out that Turkey should not give the impression that it is exhausted in the face of its problems, Demirel said: Turkey will continue on its path and will solve its difficulties. New possibilities and means of cooperation will be created. Turkey will continue its growth and prosperity in stability.

In reply to a question, Demirel said that his visit has generated a lot of interest in the foreign press, adding that it has raised the question of what Turkey is aiming at. Pointing out that Turkey is an independent country whose policies are not mortgaged and which maintains friendly relations with its neighbors, Demirel added: We do not pursue policies of enmity. In other words, our bilateral relations do not, in any way, pose a threat to a third country.

Demirel said that Turkish entrepreneurs precede the state in investing in regional countries. He added that a risk insurance system should be developed with the aim of guaranteeing these investments. Pointing out that the loans extended by Turkey through Exim Bank are clumsy and inept, Demirel added that devising a new loan system will encourage investments.

Demirel will conclude his contacts in Moldova today. He will inaugurate the temporary building of the Turkish Embassy in Kishinev and attend the signing ceremony of various bilateral agreements. Demirel will then hold a joint news conference with Moldovan President Mircea Snegur and assess his visit. He will also visit a winery near Kishinev and leave for Ankara this evening. [end recording]

Cetin Calls UN Report Unfair

TA0206090894 Ankara TRT Television Network in Turkish 2100 GMT 1 Jun 94

[Announcer-read report over video]

[Text] Turkish Foreign Minister Hikmet Cetin has stated that the UN secretary general's recent Cyprus report shows that the organization lacks the patience necessary at this time, when the Turkish Cypriots are making sacrifices toward an agreement. Cetin said that the report will not help secure an agreement on the confidence-building measures [CBM] package.

Cetin held a news conference in Moldova, where President Suleyman Demirel is conducting an official visit, and assessed the report. TRT correspondent Kemal Gungordu reports from Kishinev:

[Begin recording] [Gungordu] Cetin stated that it is unfair and unjust for the United Nations to blame the Turkish Cypriot side for not having political will. Cetin stressed that in this way, the United Nations is striving to avoid and rid itself of the issue. Cetin continued:

[Cetin] It is obvious that such an approach will not contribute to a positive development regarding the Cyprus issue. The United Nations, which is in no hurry to reach decisions on Bosnia-Herzegovina and other places in the world where bloody incidents are taking place, took a harmful course when it issued this report without awaiting the conclusion of the CBM talks in Cyprus, which had embarked on a favorable course, and thereby failed to exhibit even the patience necessary for a solution.

[Gungordu] Noting that this is his initial assessment of the report, Cetin added that he will have a more detailed announcement to make once he reviews the particulars of the report. In answer to a reporter's question, Cetin noted: I must admit that the UN secretary general has failed to fulfill his goodwill mission with this report. In the report, Cetin noted, the UN secretary general creates the impression, without actually naming names, that he blames the Turkish Republic of Northern Cyprus [TRNC] for being the party that is not interested in conciliation. Pointing out that in his report, the secretary general mentions the impossibility of making changes in the CBM's, Cetin added: They, however, are the ones who made the changes.

Explaining that the CBM's were put forward on 1 July 1993, Cetin recalled that President Rauf Denktas had announced his acceptance of the package. Indicating that the package that emerged on 21 March, when the talks started, differed on five basic points from the secretary general's initial package. Cetin continued:

[Cetin] One of these points was related to the map of Maras [Varosha], the second to arrangements regarding access to Maras, the third to establishing two separate customs at Lefkosa [Nicosia] Airport and to the landing of Turkish planes, that is to say, TRNC planes. All of these points, which were under consideration were changed in the document they put forward on 21 March, and all of these changes are in the Greek Cypriot Administration's favor. Actually, they are the ones who made the changes.

[Gungordu] Cetin reiterated that the TRNC submitted legitimate requests when confronted with changes that favored the other party. Pointing out that the TRNC requests were discussed in the Vienna talks, where certain arrangements were formulated, Cetin added:

[Cetin] This report was released when the discussions were continuing. It is clear—and this is pure speculation and is not based on anything concrete—that when it became obvious that the items agreed on in Vienna would probably be unacceptable to the Greek Cypriot side and before that point was reached, it was decided to issue this report, which portrays the TRNC as the side not interested in conciliation. This is totally unjust and unacceptable. [end recording]

Russian Influence Seen Crucial in Dniester Talks

PM0306082794 Moscow KRASNAYA ZVEZDA in Russian 2 Jun 94 p 3

[Report by Sergey Knyazkov: "Two Banks of One River. Dniester Region and Moldavia at Negotiating Table"]

[Text] As you know, the meetings in April between the president of Moldavia [Moldova] and the Dniester Moldavian [Moldovan] Republic ended with the signing of a statement in the presence of representatives of the CSCE and the Russian president, which speaks of the need to resolve all contentious issues solely by means of talks and by peaceful means alone. Mircea Snegur and Igor Smirnov agreed on the need to define the state-legal status of the Dniester Region as well as the need for a phased program to establish and implement state-legal relations and delegate and demarcate the sides' powers.

The latest meeting at expert level is now in preparation. But Mircea Snegur believes that the talks will nonetheless be hard. Kishinev [Chisinau] is considering defining the status of the Dniester Region within the framework of a single state. Especially since the statement signed by the two presidents is based on the principle of the unity and territorial integrity of the Republic of Moldova. Tiraspol has not as yet revealed its view of the state-legal status of its unrecognized republic. But, in Mircea Snegur's opinion, the DMR wants more—federalization or even confederalization. Incidentally, this conclusion is prompted by the Dniester Moldavian Republic's support for the idea of legalizing unrecognized states put forward by Robert Kocharyan, chairman of the Nagorno-Karabakh State Defense Committee.

It is also obvious that Russia's position will still particularly influence the settlement of the Dniester problem. Incidentally, KRASNAYA ZVEZDA has learned that the latest ninth round of Russian-Moldavian talks on the status of the Russian Army in Moldavia will be held in Moscow 7-8 June 1994. As you know, progress at these talks depends completely on Moldavia's granting the Dniester Region state-legal status.

Dniester Complains of Pressure From Moscow, Chisinau

LD0206174394 Moscow ITAR-TASS in English 1700 GMT 2 Jun 94

[Report by ITAR-TASS correspondent Valeriy Demidetsky]

[Text] Kishinev [Chisinau] 2 June TASS—The delay in handing over Dniester coupons, the unit of local currency, is a well-planned action by Moscow and Kishinev with an aim to exert pressure upon the Dniester region at the talks on the withdrawal of Russia's 14th Army, Dniester leader Igor Smirnov told today a meeting of bankers and local government officials in the regional capital Tiraspol.

Speaker of the Dniester local parliament Grigoriy Marakutsa returned on Thursday from a business trip to Moscow, where he failed to settle the coupon issue with Russian authorities. The coupons were printed late last year at Russia's Goznak mint on Tiraspol's order and cost the region 1.5 billion Russian roubles. The move was prompted by Moldova's decision to introduce its own national currency, the lei, which the Dniester authorities refused to recognize and ordered to keep Soviet roubles in circulation. This sent inlfation soaring and brought the regional economy on the verge of collapse.

In addition to it, the situation changed considerably following last October's events in Moscow. Seeking not to sour relations with Moldova, the Russian leadership decided to hold up the transfer of the coupons to Tiraspol. Early this year, Russia's supreme arbitration court ruled to satisfy the claim of the Dniester region and obliged the manufacturer to hand over the coupons to the customer. However, this has not been done so far.

According to well-informed sources in Tiraspol, Moscow demands that the Dniester leadership coordinate its actions with Kishinev. The Moldovan authorities believe that Dniester's own currency will complicate the process of settlement, which is expected to be discussed at next week's round of Moldovan-Dniester talks. The talks will be mediated by the Russian president's special envoy Vladlen Vasev.

Grigore Eremei Appointed Ambassador to Romania

AU0306083594 Bucharest Radio Romania Network in Romanian 1900 GMT 2 Jun 94

[Text] By decree of the president of the Republic of Moldova [Mircea Snegur], Mr. Grigore Eremei was appointed ambassador extraordinary and plenipotentiary of the Republic of Moldova to Romania and recalled from his office as Moldova's ambassador extraordinary and plenipotentiary to Belarus, Radio Moldova has announced.

Kazakhstan

Nazarbayev To Intervene in Government-Parliament Dispute

LD0206200194 Moscow INTERFAX in English 1635 GMT 2 Jun 94

[From the "Presidential Bulletin" feature No. 105 (595) by Nikolay Zherebtsov, Andrey Petrovskiy and edited by Vladimir Shishlin]

[Text] Sources close to the head of state told INTERFAX that President Nursultan Nazarbayev was drafting a message he intended to read to parliament next week on resolving the political crisis in the country.

The crisis was brought to a head when the Supreme Soviet declared it had no confidence in the government's socioeconomic and legal policies. The document said that while making noises about building a market economy the government essentially obstructed the market reform and had triggered an economic chaos in the country. Parliament also thought that the government had not worked a society consolidating program.

To avoid complete paralysis of the authority parliament suggested "a constructive dialog between all branches of power and public and political organizations leading to a national reform program and formation of a government capable of implementing the program."

A government official told INTERFAX that the government knew what to do and was capable of doing it. He said that the Tereshchenko government has a specific anti-crisis program that was being adapted to the situation in the wake of the introduction of a national currency. The official was critical of parliament which, he said, had failed to adopt numerous bills on oil, transportation and finances and thus obstructed investments in the Republic's economy.

The press secretary of Tereshchenko described the parliament declaration as unconstitutional. In a statement made public in Almaty he emphasized that under the Constitution the government had to report only to the president.

Supreme Council Appoints Ambassador to Tajikistan

LD0206162594 Almaty Kazakh Radio Network in Kazakh 1400 GMT 2 Jun 94

[Text] A regular Supreme Council session continued its work today in Almaty. The Supreme Council examined and adopted a preliminary schedule for examining issues by plenary sessions over the coming two months. It introduced changes into composition of certain committees and the Control Chamber, confirmed a regulation on paying allowances to wages of deputies, committee staff, the Control Chamber, Secretariat, and the Supreme Council's administration, depending on their length of service. Marat Kalmatayev, the chairman of the Committee for Law, Order, and Legal Reforms, spoke about the amendments to the law on administrative violations. The law was adopted as a whole.

The Supreme Council confirmed Nazhamdin Eskaliyev, the ambassador of Kazakhstan to Uzbekistan, nonresidential ambassador to Tajikistan. Mukhametkasym (Shakenov) was confirmed as the Supreme Council's head of apparatus.

Minister on Crisis in Education, Need for Reform

LD0206173294 Almaty KAZTAG in Russian 1325 GMT 2 Jun 94

[Excerpts] [No dateline as received]—Education Minister Yerezhep Mambetkaziyev held a news conference devoted to the situation in the education system and its future development. All these painful topical problems in our education system were described in an appeal to the Supreme Kenges deputies. The appeal contains a concept of the education reform on all levels. It is a matter of prestige for the new parliament to give total support for national education.

It was stated that today, more than ever before, it is necessary to take legal measures to actively protect and support education. Laws should aim at establishment of a common educational space within the framework of the CIS Interparliamentary Assembly.

It is an open secret that economic problems have badly affected the preschool educational system. It is here that formation of new citizens begins. However, hundreds of nurseries are closed down, about 60 percent of children have no access to these institutions, and their parents do not receive reimbursement. Against the background of the overall economic trouble the most problematic issues are organization of the study process, of nourishment and every day consumer services for children and teenagers. During the previous three years enrollment to technical vocational schools decreased by one third, and the number of unemployed graduates increased by a factor of eight. Some of these youngsters are employed in commerce, and others are idle, which means they can potentially join the criminal world.

The prestige and priority of education are impossible without social protection for educational establishments, their staff and students, without financial help. Hopes are pinned on local budgets. The state does not allocate sufficient money for education. Over 25,000 teachers need home improvement. They lose hope and quit—only last year over 30,000 teachers left the education field, and today schools need over 17,000 teachers.

The reform, which will help to overcome the crisis envisages a better budgeting from the state and support for nonstate budgeting of schools, vocational schools, and nurseries. Some of the vocational schools will be transformed into colleges, or technical lyceums, and their graduates will have bachelors' degrees. The reform envisages a multilevel structure, a new mechanism for

giving jobs to graduates and setting up of a research institute of the higher school problems.

The journalists were particularly interested in a new system of comprehensive testing prior to enrollment to universities. On 26 July for the first ever time all universities of Almaty will give tests checked by computers, so as to exclude lack of objectivity and nepotism. [passage omitted]

The Importance of a new information technology, intensive methods of teaching, as well as of the trilingual principle (Kazakh, Russian, and foreign languages) and enhancement of training in social and liberal arts was stressed at the news conference.

Over 3,000 Kazakhstanis are currently educated abroad. These are talented children who merit the elite-type education. In future, the network of elite-type educational institutions will be increased, and computer databases will be created to find out talented young people.

Efforts to Combat Drug Smuggling

LD0106191694 Almaty KAZTAG in Russian 1500 GMT 1 Jun 94

[Text] Last year experts of Kazakhstan's customs confiscated around 10 kg of drugs from passengers, and over a period of four months of the current year they have seized 133 kg. This fact was quoted during a roundtable discussion organized by law enforcement bodies at Almaty's friendship house. Drugs made of hemp from the Chu valley are smuggled to neigboring and distant countries.

By using modern methods of checking luggage and cargo our customs is trying to block illegal channels. It uses 40 specially trained dogs for this and their number will soon be increased to 100 [words indistinct]. Foreign drug mafia has contributed to the seriousness of the situation that has developed in Kazakhstan. The relevant UN departments are worried about this. A group of its representatives, led by the deputy secretary general and the director of the UN program for control over drugs, Giorgio Giacomelli, who were on a visit to Almaty, urged the participants in the roundtable discussion to join efforts in combatting it.

Leaders of ministries of internal affairs and agriculture, the National Security Committee, procuracy and other departments put forward a number of proposals on this issue. In particular, they think it is important to set up a Kazakhstan committee for combatting drugs and drug smuggling.

Pollution, Ecological Problems Deteriorate in Almaty

LD0206174994 Almaty KAZTAG in Russian 1325 GMT 2 Jun 94

[Summary] Almaty has a great chance of becoming one of the most polluted capitals in the world in the near future. This sad fact was stated by Bulat Yesekin, the head of the city directorate for ecology and bioresources in an interview with our correspondent. The state has not allocated any money for the improvement of Almaty's ecology either in the current or last year. Even the external budgeting fund for protection of nature, which used to finance several important programs, will be used by the government for other purposes.

The city needs new roads and traffic controls because the number of cars in the capital increases annually by a third. The quality of gas leaves much to be desired. The life of catalysts, which were used to purify car exhausts, expire very quickly nowadays. The city has two power engineering units that are very unsafe ecologically.

The president of the Republic issued an edict last year on urgent measures for the development of Almaty, in conformity with which the Ministry of Power Engineering and Fuel Resources was to provide its Almaty enterprises with low-ash coal and low-sulphur fuel oil, but the only thing that the ministry has done is to persuade the government to set flexible norms of air pollution. This has only worsened the situation.

The city and the oblast do not have special sites for storing toxic waste. The recycling of garbage needs improvement.

These problems become even more topical in view of the mountains surrounding the city. Our capital has no natural ventilation. Currently, Almaty leads as a city with the most polluted air in the republic, ranking second to Leninogorsk, which is the largest industrial center. It is not by chance that the population in Almaty ranks second to no one in the number of diseases of the respiratory, cardio-vascular, nervous, and urino-genital systems. Their health is also affected by the fact that the soil in the city and subsoil waters are noxious.

Kyrgyzstan

Commission Formed To Help Bankrupt Workers

LD0206105594 Bishkek Kyrgyz Radio First Program Network in Russian 2300 GMT 1 Jun 94

[Text] The republican Union of Entrepreneurs has set up a special commission to collect information on enterprises which are made bankrupt and are subject to liquidation. The commission's task is to help the leaders of such enterprises to prepare documents on the enterprises' inability to function and their proposals on reorganization. The commission intends to address a letter to the president of Kyrgyzstan and establish cooperation with the state commission on reorganizing and liquidating unprofitable enterprises.

Administrative Changes Made in Naryn, Chu Oblasts

LD0206115094 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 1 Jun 94

[Text] The Supreme Kenges of the Kyrgyz Republic adopted a decision to incorporate the Susamyr rayon of Naryn oblast into the Chu oblast. The decision reads:

The Susamyr rayon of Naryn oblast is to be incorporated with Chu oblast. The account of Susamyr rayon is to be withdrawn from Naryn oblast.

In accordance with the Kyrgyz Republic's land code Article 47 [words indistinct] the change of border between Naryn and Chu oblasts should be carried out by the Naryn and Chu oblast soviets.

This issue should be presented for examination by the Supreme Kenges of the republic.

New Post in Bishkek Administration

LD0206090694 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 1 Jun 94

[Text] With a view to developing the infrastructure in new residential areas, the Kyrgyz Government issued an instruction on establishing an additional post of first deputy head of Bishkek's city administration. The incumbent will supervise the settlement of these areas.

[Signed] Apas Dzhumagulov
Prime Minister of Kyrgyzstan.

Tajikistan

Russian Officer Warns Against Anti-Russian Actions

LD0206130294 Moscow ITAR-TASS World Service in Russian 1150 GMT 2 Jun 94

[Report by ITAR-TASS correspondents Boris Krivoshey and Vladimir Taranov]

[Text] Moscow, 2 Jun (ITAR-TASS)—The Russian side will not remain aloof and will undertake jointly with the official Tajik authorities all the necessary measures in order that those guilty of crimes will be punished. This was said at a briefing today by Grigoriy Karasin, director of the information and press department of the Russian Federation Foreign Ministry, in connection with the killing of Colonel Yuriy Shkipkin, deputy chief of troops of the Tajikistan Defense Ministry, in Dushanbe.

"There is no doubt," he stressed, "that forces that aim at further aggravating the situation in the country, which is already uneasy as it is, are behind the latest crime. It is no accident that first and foremost it is servicemen, especially ethnic Russians, who are carrying out their duty to help to restore peace and stability in Tajikistan, who are becoming victims of these obviously planned terrorist actions. An obvious aim can be traced: "To sow uncertainty and fear among the population and to provoke enmity between the peoples of Russia and Tajikistan," the Russian diplomat noted.

Defense Ministry Staff Officers Murdered in Dushanbe

LD0306075794 Moscow ITAR-TASS World Service in Russian 0640 GMT 3 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 3 Jun —Four people, including two staff officers of the Tajik Defense Ministry, fell victim to unknown assailants in Dushanbe yesterday evening. An ITAR-TASS correspondent was told at the Tajik Interior Ministry that the murder occurred in an apartment where Major Aleksandr Zakharov lived. The attackers also fatally wounded Lieutenant Colonel Sergey Khristoforov and two women who were in the room.

The motives for the murders are being established by an operational investigation group of the Tajik Interior Ministry.

Fifth Russian Serviceman Killed This Week

LD0306102594 Moscow ITAR-TASS World Service in Russian 0944 GMT 3 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 3 Jun —A Russian soldier from the peacekeeping forces was killed on Wednesday [1 June] evening in the town of Kurgan-Tyube (Khatlon oblast), an ITAR-TASS correspondent was told today by military sources in Dushanbe.

Private Pavel Mikheyev, a professional soldier from the 201st Russian motorized infantry division, was shot by persons unknown with an automatic weapon while on his way home.

He is the fifth victim among the Russian servicemen in Tajikistan this week.

Russian Border Guards Kill Cross-Border Invaders

LD0306082894 Moscow ITAR-TASS in English 0651 GMT 3 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 3 June TASS—The border troops on the Tajik-Afghan border last night had to open artillery fire at a group of transgressors who were trying to penetrate the Tajik territory from Afghanistan across the river. All the invaders were killed, according to the Command of the Russian border troops in Tajikistan.

No Russian servicemen were killed or wounded.

Opposition Militants Killed in 'Major' Operation

LD0306104794 Moscow ITAR-TASS in English 0921 GMT 3 Jun 94

[Report by KHOVAR news agency for TASS]

[Text] Dushanbe 3 June TASS—An unspecified number of Tajik opposition militants was killed in a major two-day military operation conducted by Russian frontier troops in the Central Asian republic. Nobody among the Russian military was injured, according to the headquarters of the Russian border guards in Tajikistan.

It said that during the operation held on 31 May and 1 June the troops combed the areas adjoining the Pyandzh section of the Tajik-Afghan border to neutralise opposition militants of the so-called "Pyandzh-Kumsangir front." The militants often shelled Russian border posts and mined border areas.

The headquarters also said that opposition militants are concentrating on the Afghan territory in the villages of Andzhiz and Yalur close to the section of the Moskovskiy border detachment. The military warned that they may fire on the opposition strongholds on Afghan territory to suppress the militants if the latter attack Russian border guards or Tajik government forces. "Adequate measures will be taken. Enemy strongholds will be eliminated regardless of their place of location," the military said.

Interior Ministry To Investigate Murder of Officer

LD0206060494 Moscow ITAR-TASS World Service in Russian 0540 GMT 2 Jun 94

[By ITAR-TASS correspondent Galina Gridneva]

[Excerpt] Dushanbe, 2 Jun—The 47-year-old lieutenant colonel Yuriy Shkipkin of the directorate for routine personnel duties of Tajikistan's Defense Ministry was killed in Dushanbe at about 9 p.m. local time on 1 June. An ITAR-TASS correspondent was told at the republican Interior Ministry that Shkipkin's body was found by local residents not far from his home. The motives of the murder have not been established. An investigation team of the Interior Ministry has started inquiry. [passage omitted]

Commission Formed To Determine Tajik-Uzbek Border

LD0206163194 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 2 Jun 94

[Text] In order to make clear the state border between the Republics of Uzbekistan and Tajikistan and to prepare proposals in this regard, the Council of Ministers of Tajikistan has formed a 21-man commission of equal authority headed by Tajik Agriculture Minister Habibullo Tabarov. The commission's chairman will have the authority to absorb into its work relevant experts from ministries and departments.

First Deputy Defense Minister Dismissed

LD0206151994 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 2 Jun 94

[Text] The Tajik Council of Ministers relieved Colonel Valeriy Ramazonovich [name indistinct] from his posts as chief of the General Staff of the armed forces and first deputy defense minister because he has left the territory of the republic.

Banks Not Selling Rubles Due to Lack of Supplies

LD0206105994 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 2 Jun 94

[Text] Despite the official exchange rate of 1,916 rubles [R] for one U.S. dollar, set by the National Bank of Tajikistan on 1 June, the rate for selling and buying has already passed the R2,000 mark in dealings by the business and state banks of Tajikistan.

The buying and selling rate for the U.S. dollar set for individuals by the National Bank of Tajikistan is R2,000 and R2,095 respectively. The rate for the German mark [word indistinct] is R1,050 and R1,095.

The Tajik Bank Business buys one U.S. dollar for R1,800, selling it for R,2063.

Due to a lack of supply of rubles to the republic, some banks have temporarily halted selling rubles to the population.

The Vneshekonombank buys one U.S. dollar for R2,050 and one German mark for R1,050.

Armenia

Situation Remains 'Tense', Cease-Fire Violations Reported

NC0206200794 Yerevan Radio Yerevan in Azeri 1330 GMT 2 Jun 94

[Excerpts] Although intensive combat operations have not taken place in the Nagorno-Karabakh Republic [NKR], the situation in that region is tense. The tension has worsened because Azerbaijan's military units continue to fire on the Armenian defense positions on various parts of NKR's front line. The enemy side violates the agreement for a cease-fire from time to time. Obviously, Azerbaijan's Military Command Headquarters is unable to control all of its military forces.

The Armenian positions in [place-name indistinct], Tauz, and Lernak in Mardakertskiy Rayon; Shuraabad, [place-name indistinct], and Gyullyudzha in Agdamskiy Rayon; and Karakhanbeyli in Fizulinskiy Rayon were fired on with various types of arms today. The Armenian side refrained from returning the fire. Considering Azerbaijan failed to sign the agreement in Moscow to end the confrontation, the NKR Defense Army is convinced that enemy units will launch a wide-scale attack very soon. Undoubtedly, that will be disastrous for Azerbaijan. Furthermore, the international community will realize that Azerbaijan's leaders and nationalist circles wish to deliberately worsen the situation in the region. [passage omitted]

No serious incidents occurred on the border between Armenia and Azerbaijan until this afternoon. That has been the case for the past few days.

We wish to hope that the relatively peaceful situation will continue to exist and [words indistinct].

Nakhichevan Commander Denies Armenian Attack

NC0206210894 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 2 Jun 94

[Text] An Armenian-Azerbaijani meeting took place on the border near Yeraskh [an Armenian village bordering Nakhichevan Autonomous Republic] on 2 June. The Armenian side asked the Nakhichevani delegation about the misinformation disseminated by the Azerbaijani Defense Ministry and the press service of the National Assembly on 31 May, which say that allegedly the Armenian Army units have invaded the Nakhichevani territory and occupy a strategically important hill.

The Armenian Defense Ministry press service informed ARMENPRES that Brigade Commander Colonel Farman Aliyev, who commands all the army units in Nakhichevan, has declared that he himself heard that news from Moscow's Vesti television program for the first time, and added that it does not conform to reality.

Official 'Content' With CIS Peacekeepers Entering Conflict

NC0206202994 Yerevan SNARK in English 1124 GMT 2 June 94

[Text] Yerevan, June 2 (SNARK)—Armenia is content with the idea of the CIS peacekeeping troops' introduction into the zone of the Georgian-Abkhazian conflict, said to the journalists Levon Zurabyan, the acting press secretary of the Armenian President. In his words, the position Armenia takes and expressed at the recent forum of the CIS leaders was confirmed at the yesterday's meeting of the Armenian President Levon Ter-Petrosyan with the CIS Executive Secretary Ivan Korotchenya. Mr. Zurabyan refused to inform journalists if Armenia is on the desire to send Armenian troops within the peacekeeping forces to the region. As for the desire expressed by the Azerbaijani authorities to send 400 militaries to the zone of the conflict, Levon Zurabyan said that the Armenian authorities consider Azerbaijan doesn't bear a relation to it.

Vice President Leaves for United States

NC0206202794 Yerevan SNARK in English 1540 GMT 2 Jun 94

[Text] Yerevan, 2 June (SNARK)—Today the Armenian Vice-President Gagik Arutunyan flew to France and USA, to discuss the issues related with All-Armenian Foundation "Hayastan" ("Armenia"). As SNARK reporter was told in the press bureau of Armenian President, Arutunyan will also attend the celebration of Hrayr Hovnanian, the chairman of "Armenian American Assembly" in New York.

It has also become known to SNARK that Gagik Arutunyan has taken with him a video-address of Armenian President Levon Ter-Petrosyan to Armenian Diaspora in USA.

Senior Prosecutor Escapes Assassination Attempt

LD0206080994 Moscow ITAR-TASS in English 0742 GMT 2 Jun 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan June 2 TASS—An attempt was staged early on Thursday on the life of Vladimir Grigoryan, the head of the investigation department of the Armenian prosecutor's office. A gunman opened submachine gun fire at him when he came out of his home heading for office.

Grigoryan was not wounded; however, the driver of his car got a bullet wound.

The gunman escaped and the site of the attack has been barricaded by police. No official statements on the incident have been made yet.

Georgia

Abkhazia Welcomes Upcoming Arrival of CIS Peacemakers

LD0206160894 Moscow ITAR-TASS in English 1351 GMT 2 Jun 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow June 2 TASS—Abkhazia is prepared for stationing peacemaking forces, press service of Abkhazian Parliament said on Thursday.

In accordance with ceasefire agreement signed on May 14, the two belligerents are now busy withdrawing their forces from the Ingur river banks which form the standoff line and will soon be turned into a buffer zone, where some three thousand peacemakers from the CIS member states will be stationed.

Visiting Lieutenant Colonel Aleksandr Sokolov, Russian deputy commander-in-chief of overland troops, met with Abkhazian Parliament Speaker Vladislav Ardzinba, the press service said. He visited the Gal district, where CIS peacemaking forces will be deployed on June 15.

Abkhazia considers the peacemakers to be guarantors of peace and stability in the region.

Shevardnadze Meets London Borough Council Delegation

LD0206173394 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 2 Jun 94

[Text] The Georgian head of state's press secretariat reports that Eduard Shevardnadze, chairman of the Georgian parliament and head of state, met representatives of the Georgian-English cultural and business center from Great Britain—Trevor Jones, head of the Islington borough council foreign relations department, and Anthony Wokes, an economic adviser.

The conversation dealt with the activities of the center and its future prospects. It has been pointed out that the aims of the Georgian-English cultural and business center are to enhance interest toward Georgia in Britain, extend friendly relations, arrange joint creative work, and reveal and develop mutual interests in business. The center has been an initiator of an agreement between the Islington municipality of London and Tbilisi mayoralty. New business relations will be initiated soon between London, Moscow, and Tbilisi. The head of state promised the visitors assistance and support.

Estonia

Russia Asked To Present Troop Withdrawal Schedule

WS0206140394 Tallinn BNS in English 1014 GMT 2 Jun 94

[Text] Tallinn, June 02, BNS—Russian military who want to enter Estonia must present alongside with visa application the timetable for the withdrawal of the unit they serve in. Also, a Russian serviceman headed for Estonia must inform Estonian authorities about his concrete task in the withdrawal process.

Anatoly Chizhikov, the military attache at the Russian embassy in Tallinn, told BNS the embassy received May 12 from the Estonian Foreign Ministry a description of the procedure established to control the entrance of Russian military into Estonia, which contains the stipulation concerning the withdrawal timetable. Chizhikov said it is "absolutely unacceptable" to the Russian side, especially with regard to the higher command of the Baltic Fleet or the Northwest Army Group.

"It would mean that the commander in chief of the Baltic Fleet or the Northwest Army Group would upon entering Estonia have to present a schedule for the pullout of all fleet or army units, respectively. The government delegations have for two years been unable to reach agreement on the timetables, and now it is demanded from servicemen," the Russian officer said.

Foreign Ministry spokesman Juri Arusoo told BNS that the ministry indeed sent May 10 a note to the Russian Embassy to regulate the order of entrance into Estonia of Russian military. Arusoo said the reason behind the note was that "trips by the military became too frequent, so (we wanted) to make sure they wouldn't be to-ing and fro-ing for no reason." Arusoo explained the demand to present the timetable only applies to "military men of a certain level."

"Of course exceptions can be made to every rule and the higher command are not required to present upon entrance to Estonia the schedule for the withdrawal of all units under them," the Foreign Ministry spokesman said.

Parliament Suspends Discussion on Russian Ties

WS0306085294 Tallinn BNS in English 1744 GMT 2 Jun 94

[Text] Tallinn, June 02, BNS—Estonian lawmakers today took up the issue of the deadlocked Estonian-Russian relations and possible compromises with Moscow, but postponed the discussion until September on a proposal made by the Pro Patria faction in parliament.

A bill of the parliamentary foreign affairs commission recommended that Estonia seek compromises with Russia in border, economic and humanitarian issues.

Vello Saatpalu, the chairman of the foreign affairs commission and a member of the Social Democratic Party, suggested on behalf of the commission that an Estonian-Russian top level meeting be arranged with the help of mediators, if necessary, to resolve the problems concerning the border and the Tartu Peace Treaty. In his words, Estonia should also consider placing the Estonian-Russian border issue under a moratorium.

Foreign Minister Juri Luik in his report assured that Estonia stands firm that Russian troops must be unconditionally withdrawn from Estonia by Aug. 31, 1994.

Russia has so far refused to set the final pullout deadline and keeps linking it to the demand that more than 10,000 retired military be allowed to remain in Estonia.

Luik maintained that the Russian military retirees' issue can be solved only in accordance with Estonian legislation. What makes finding a solution more difficult is that Russia hasn't presented a list of its military pensioners in Estonia, striving to solve the problem by the "pig-in-a-poke" method, the foreign minister noted. He said the Russian Embassy claims there are 10,500 Russian military pensioners in Estonia, while Tallinn has information their number amounts to 11,500.

Commenting on the dismantling of the nuclear reactors in Paldiski, Luik said the operation lags behind the planned schedule. He said an international monitoring group of representatives from the Council of the Baltic Sea States and the United States was set up in May, and that the group insists on prompt removal of the nuclear fuel rods from Estonia.

Luik said the linkage of nuclear reactor removal to other issues is internationally totally unacceptable.

Touching on the Estonian-Russian border dispute, the foreign minister said the key issue is Russia's unwillingness to recognize the 1920 Tarty Peace Treaty. It is extremely regrettable that Russia didn't agree to discuss the issue in the context of the European Stability Pact, known as the Balladur Plan, Luik said.

Estonian Ambassador to Russia Juri Kahn noted that the situation in Russia is at present considerably more stable than over the last few years. In his words, the power in Russia is more or less centered in President Boris Yeltsin's hands and the Western states have less leverage in influencing Russia's decisions.

The Estonian ambassador, however, predicted trouble for the autumn in Russia. He said the problems still on the agenda in Estonian-Russian relations should be resolved within the next two or three months.

The legislature suspended the discussion of Estonian-Russian relations until September. Tiit Sinissaar, the chairman of the Pro Patria faction in parliament, said the faction moved to postpone the discussion because the purpose of the bill was putting Estonian-Russian relations on the parliament's agenda and now the discussion can be resumed after the summer recess.

Endel Lippmaa, a member of the Assembly Party council, told reporters today that his party was against a provision of the bill stipulating that "solutions to problems of Estonian-Russian relations should be sought in compromises in border, economic and humanitarian issues." In Lippmaa's words, "it sounded as if Estonia were willing to make any concessions (to Russia)." Assembly Party members didn't support adoption of the bill.

Keeping Troops in Estonia 'Disadvantageous' to Russia

WS0306093694 Tallinn BNS in English 1611 GMT 2 Jun 94

[Text] Tallinn, June 02, BNS—Estonian Prime Minister Mart Laar said in an address in the parliament today that Moscow reaps no benefits from keeping 2,500 military in Estonia, on the contrary, this is seriously disadvantageous to Russia.

"It seems that meetings at the political top level are needed to make this clear," the premier said during the discussion of a bill on the relations between Estonia and Russia.

Laar assured that, in order to solve problems between the two countries, the Estonian Government has chosen a path that doesn't rule out mutually advantageous agreements and compromises but presumes that the Estonian-Russian relations are based on mutual respect and equality of rights.

Laar said the implementation of such a policy has forced the government to develop and strengthen the country's state and security institutions, work towards Estonia's economic independence from Russia, secure internal stability, and achieve as quickly as possible Estonia's integration into the Western community.

"Whereas 18 months ago the card of human rights was an ace in Russia's hand and a year ago the situation in eastern Virumaa and Narva was truly explosive, by now the human rights card has been beaten on the international arena and the power in eastern Virumaa is in the hands of entirely different principles and of local governments that support Estonian statehood," the premier claimed. "Tension has clearly been reduced in Estonia, this is what both foreign experts and local Russian organizations think."

Troop Withdrawal Accord 'Harmful' to Estonia

WS0306093294 Tallinn BNS in English 1744 GMT 2 Jun 94

[Text] Tallinn, June 02, BNS—Conclusion of a troop withdrawal agreement between Estonia and Russia would be very harmful to Estonia, Academician Endel Lippmaa, a member of the Assembly Party council, said at a press conference today.

In his words, such agreements contain reciprocal obligations which make Estonia very vulnerable.

"Since the Russian side is very reluctant to withdraw its troops, it would be a simple matter for it to accuse us of violating the stipulations of the treaty after it's been signed. There are previous instances of such stupid pacts. For example, Russia didn't delay taking advantage of the 1939 military bases pact, accusing the Baltic states of violating the agreement, and that served as a pretext for bringing in more troops," Lippmaa pointed out.

Lippmaa said "unfortunately both Foreign Minister Juri Luik and President Lennart Meri" are for concluding a troop withdrawal agreement.

Russia wants to link the troop pullout treaty to signing an agreement also on social guarantees for its military retirees. This has become the main stumbling block in relations between the two countries because the Estonian side has so far rejected Russia's demand.

In Lippmaa's words, the Assembly Party isn't optimistic about Russian troop withdrawal being completed by Aug. 31. If Russian military presence in Estonia continues in September, the country's leaders must be prepared for "two essential demarches," he said.

"We must lodge a complaint (against Russia) at the U.N. Security Council. Under the U.N. charter, a major power loses its veto right when it's the accused party. Also, Estonia must take a more active part with regard to the NATO in the context of the Partnership for Peace program. NATO has no idea how to evaluate the continued presence of Russian troops in Estonia, so it's not interested in the emergence of the need for this and wants the troops to pull out," was Lippmaa's opinion.

President of CE Parliamentary Assembly Visits

WS0206103294 Tallinn BNS in English 1605 GMT 1 Jun 94

[Text] Tallinn, June 01, BNS—The president of the Council of Europe's [CE] Parliamentary Assembly, Miguel Angel Martinez, arrived in Estonia for a visit Tuesday.

The visit comes at an invitation by the chairman of the Estonian parliament, Ulo Nugis, who gave a dinner in honor of the guest Tuesday evening. Present at the dinner were members of the Estonian delegation to the CE Parliamentary Assembly, Estonian MP's and ambassadors of the Council of Europe member nations to Estonia.

The Estonian parliament chairman in his speech said the country had always attached great importance to the work done under the Council of Europe framework. "We try to give the best to be worthy of our place in the common family of the organization," Nugis said.

Martinez in his speech said he was glad to state that Estonia has become a stable democratic country, which

is always welcome in the CE activities. But he also mentioned that the danger of losing the freedom it has just gained had still not ceased for Estonia.

The CE Parliamentary Assembly chairman had a meeting today with Estonian parliament Deputy Chairman Tunne Kelam, also a deputy president of the Parliamentary Assembly. He then had talks with the Estonian delegation to the assembly, with the head of the parliament's foreign affairs commission, Vello Saatpalu, Foreign Minister Juri Luik and the representative of a CSCE mission to Estonia, Carmen Schmidt.

Martinez is scheduled to meet Prime Minister Mart Laar at 6 p.m. today. He will continue the visit with a trip to the Lahemaa National Park, where parliament Deputy Chairman Tunne Kelam gives a dinner in his honor tonight.

Meetings with Tartu University Rector Peeter Tulviste and a member of the European Court of Human Rights, Uno Lohmus, in the southern city of Tartu are scheduled for Thursday. Martinez will also address a joint conference of the Tartu University Economics Department and Germany's Kiel Institute for World Economy.

Martinez is to meet Estonian President Lennart Meri and Tallinn Mayor Jaak Tamm Thursday afternoon. He is scheduled to leave Estonia in the evening.

Defense Forces Commander Submits Resignation

WS0206142194 Tallinn BNS in English 1312 GMT 2 Jun 94

[Text] Tallinn, June 02, BNS—Major General Aleksander Einseln, the commander of the Estonian Defense Forces, wants to resign because he is dissatisfied with the activity of Prime Minister Mart Laar.

Einseln asked President Lennart Meri on May 31 to accept the resignation he had put in May 4. The army chief found Laar's information about Estonian-Israeli cooperation "unethical, if not a downright lie."

Laar met on Feb. 8 with an Israeli working group led by General Dan Shomron to discuss questions of Estonia's security and defense concept and opportunities for Estonian-Israeli cooperation in defense.

"The leader of defense forces, who under the Constitution is competent with regard to national defense issues, was not informed about the meeting, its results and agreements concluded. Under the circumstances when the defense forces' chief lacks information about the premier's agreements with the Israeli TAAS company concerning national defense, the commander finds it difficult to answer for the country's defense capability and security," the information department of the Defense Forces general staff told BNS.

Einseln drew the conclusion that the prime minister doesn't trust him and "has on purpose been acting without consulting with him." Under the circumstances, Einseln considered his resignation "inevitable."

Former Defense Minister Indrek Kannik, too, has claimed that Laar's information about the Estonian-Israeli defense cooperation project is somewhat distorted.

Kannik claimed Laar maintained in a May 17 letter to Einseln that the "government has neither in my nor anyone else's person signed a cooperation project with General Shomron."

Kannik told BNS the record of Laar's Feb. 8 meeting with Shomron states that the "visitors and Mr. Laar agreed that the cooperation between Estonia and Israel may be divided into three main categories."

The former defense minister maintained one of the agreed categories concerns the establishment of a joint working group at the Estonian Interior Ministry to analyze both the military and security aspects of the Estonian defense concept.

The government press service told BNS that neither the Estonian Government nor ministries have signed any pacts or agreements without informing the Defense Forces general staff about it.

"During the visit of General Shomron to Estonia on Feb. 8-9 the Israeli party proposed to form a joint working group to promote the mapping out of Estonia's defense concept. The Estonian side found that Estonia must have priority in this issue, but expert opinions are welcome. Consultations with private companies in security issues are widespread the world over, especially in the United States," the government press release reads.

The meeting between the Estonian premier and the Israeli general found that Estonia needs more assistance with questions falling within the competence of the Interior Ministry, primarily those concerning improvement of the work of the police and the border guard, therefore "further solution of this issue" was referred to the Interior Ministry, the press service said.

"Neither the premier nor the government have addressed this question. The Israeli side informed about its views on possible cooperation the Interior and the Defense Ministries. The prime minister's office has not received information about this," the government press service told BNS.

The press service confirms that the protocol of Laar's meeting with Shomron provides for the formation of an Estonian-Israeli working group at the Interior Ministry to analyze the Estonian defense concept. Both Interior and Defense Ministry officials are expected to belong to the group.

"The parties agreed that the group will start work as soon as possible and prepare a preliminary report by end June 1994," the press service informs.

Einseln's Resignation Rejected

WS0306093594 Tallinn ETA in English 1809 GMT 2 Jun 94

["News Release"]

[Text] Tallinn, June 2—President Lennart Meri has refused to accept the resignation of Aleksander Einseln, the head of the Estonian Defence Forces, as leaving the position vacant would harm Estonia's state and security, the president's press office informed ETA on Thursday. Meri had received Einseln's letter of resignation on May 31 and had immediately responded that the interests of Estonian state prevented him from accepting the resignation and that he was to continue his service.

Einseln's press office released a statement earlier on Thursday saying he wanted to resign in protest over being left aside by Prime Minister Mart Laar over his defence deal with Israel.

Einseln is a retired U.S. Army officer who accepted the position in defiance of U.S. administration while risking his army pension. Einseln is now in Visby attending a Baltic Sea defence seminar.

Misinformation Charged on Defense Plan With Israel

WS0206103994 Tallinn BNS in English 1605 GMT 1 Jun 94

[Text] Tallinn, June 01, BNS—Former Defense Minister Indrek Kannik today accused Prime Minister Mart Laar of giving the public, as he said, slightly distorted information about a defense cooperation plan between Estonia and Israel.

Kannik mentioned that Laar had been incorrect when denying having signed any documents about defense cooperation with Israel. The former minister quoted Laar's May 17 letter to the commander in chief of the country's defense forces, Major General Aleksander Einseln, in which the premier said the government had signed no agreement with Israeli General Dan Shomron.

But a protocol of a Feb. 8 meeting between Laar and Shomron states that "the guests and Mr. Laar agreed that cooperation between Estonia and Israel can be divided into three main categories," Kannik said today, adding that one of these three had been setting up a joint work group to review Estonia's defense concept both from the military as well as from security aspects. The work group was to be formed under the Estonian Interior Ministry.

Laar before the Feb. 8 meeting suggested the work group to be subjected to the Defense Ministry, but that proposal was turned down, Kannik said in the interview with BNS.

Estonia's POSTIMEES daily newspaper in its May 30 edition reported that Commander in Chief Aleksander Einseln was seeking clarity over allegations that the prime minister had bypassed him in steps toward a defense cooperation plan with Israel. Einseln said his suspicions were raised after an aide to Leonid Apananski, considered a key figure behind the country's major arms purchase deal from Israel, in a confidential letter informed a Central Staff officer about a May 10-12 visit to Tallinn of an Israeli delegation. The visit had been to discuss a cooperation project, started by Mart Laar and Israeli General Dan Shamron, the letter alleged.

Laar Meets With Japan Trade Delegation

WS0206120394 Tallinn BNS in English 1823 GMT 1 Jun 94

[Text] Tallinn, June 01, BNS—Estonian Prime Minister Mart Laar met in Tallinn today with a delegation from the Institute of Mitsui & Co. for Trade and Economic Studies. The mission from the institute under the Japanese investment giant Mitsui & Co. was led by the institute's President Yoshikatsu Hironaka. The visit was due to Mitsui's interest toward the economic situation and development opportunities in Estonia as well as prospects for the company's operation in the region, the government press office says.

Laar at the meeting spoke at some length about the country's economic policy guidelines and explained that his government had based its steps on the principle of radical reform. He said that in order to attract someone's attention in the present-day world, one had to make steps that may not be common elsewhere.

The guests at the meeting praised Estonia's speed in proceeding on the reform path. They said the country's resolve in introducing a proportional 26-percent income tax was impressing. The discussion further focused on the situation in the sphere of foreign investments and trade between the two countries. The mission members were particularly interested in facts about the free trade treaty to be signed between Estonia and the European Union soon.

New Justice Minister Appointed

WS0206140494 Tallinn BNS in English 1014 GMT 2 Jun 94

[Text] Tallinn, June 02, BNS—President Lennart Meri today appointed Urmas Arumae as the new justice minister, the president's office told BNS.

Arumae's candidacy was put forward earlier this morning by Prime Minister Mart Laar.

Arumae, 37, is a graduate of the Faculty of Law of Tartu University. He later graduated from the Estonian Higher School of Commerce and obtained his master's degree in international business management at the University of San Francisco. After a stint as a vice president of Silves Enterprises Ltd., he established his own legal aid company, Concordia. Arumae is also president of the Estonian Lawyers Union.

Soros Meets With Laar, Holds News Conference

WS0206105494 Tallinn BNS in English 1823 GMT 1 Jun 94

[Text] Tallinn, June 01, BNS—George Soros, the investment tycoon well-known in the Baltics and in the whole eastern Europe for his large-scale culture and education funding projects, met with Estonian Prime Minister Mart Laar in Tallinn today.

The Estonian leader at the meeting praised the billionaire supporter of arts and humanitarian projects for the funding programs he has launched also in Estonia. Discussed in more detail were three projects in the field of education, of which Soros himself underlined as most important a prospective half-million dollar plan in support of Estonia's school reform. Also spoken of were programs in support for higher education and research, and one on legal education.

Finally at the meeting, Soros asked the Estonian leader about the country's economic development and its prospects, the government press office reports. He asked if Estonia's current "progressive" government didn't fear a possible setback with the possibility that former Communists might return to power.

Laar in his answer said that Estonia had already crossed that critical stage when the former Communist party "nomenklatura" could be elected to power. But he didn't rule out possible success of a more leftist and less radical way of thinking.

Soros at a separate press conference in Tallinn later in the day focused on the activity of the Open Estonia Foundation, set up to channel Soros' money for charity and assistance projects in Estonia. The Open Estonia Foundation projects together with financial assistance coming through Soros International Science Foundation amount to more than three million dollars in Soros' support for Estonia this year.

Soros declined to give a detailed assessment of the political developments in the three Baltic countries. But while commenting on some critical remarks he had made at a meeting with Latvian President Guntis Ulmanis on the country's citizenship law, he today said he was glad to find Estonia's citizenship law much more liberal.

The billionaire investor said it was clear that Latvia during the era of Soviet rule had suffered much, had "undergone nearly genocide." But he spoke up against leaving any groups of the country's population without many essential rights as means of retaliation.

He called on the Baltics not to allow the notion of whatever nation being collectively guilty for some misdoings—a notion which he stressed was absolutely wrong—to have an influence on their decisions.

George Soros was born in Budapest on Aug. 12, 1930, but emigrated to Britain in 1947. Lives in New York since 1956. He is currently the president of Soros Fund Management and main adviser for Quantum Fund over investments. His humanitarian project support funds operate in 21 Central and East European countries, as well as one in South Africa.

Estonia

Russia Asked To Present Troop Withdrawal Schedule

WS0206140394 Tallinn BNS in English 1014 GMT 2 Jun 94

[Text] Tallinn, June 02, BNS—Russian military who want to enter Estonia must present alongside with visa application the timetable for the withdrawal of the unit they serve in. Also, a Russian serviceman headed for Estonia must inform Estonian authorities about his concrete task in the withdrawal process.

Anatoly Chizhikov, the military attache at the Russian embassy in Tallinn, told BNS the embassy received May 12 from the Estonian Foreign Ministry a description of the procedure established to control the entrance of Russian military into Estonia, which contains the stipulation concerning the withdrawal timetable. Chizhikov said it is "absolutely unacceptable" to the Russian side, especially with regard to the higher command of the Baltic Fleet or the Northwest Army Group.

"It would mean that the commander in chief of the Baltic Fleet or the Northwest Army Group would upon entering Estonia have to present a schedule for the pullout of all fleet or army units, respectively. The government delegations have for two years been unable to reach agreement on the timetables, and now it is demanded from servicemen," the Russian officer said.

Foreign Ministry spokesman Juri Arusoo told BNS that the ministry indeed sent May 10 a note to the Russian Embassy to regulate the order of entrance into Estonia of Russian military. Arusoo said the reason behind the note was that "trips by the military became too frequent, so (we wanted) to make sure they wouldn't be to-ing and fro-ing for no reason." Arusoo explained the demand to present the timetable only applies to "military men of a certain level."

"Of course exceptions can be made to every rule and the higher command are not required to present upon entrance to Estonia the schedule for the withdrawal of all units under them," the Foreign Ministry spokesman said.

Parliament Suspends Discussion on Russian Ties

WS0306085294 Tallinn BNS in English 1744 GMT 2 Jun 94

[Text] Tallinn, June 02, BNS—Estonian lawmakers today took up the issue of the deadlocked Estonian-Russian relations and possible compromises with Moscow, but postponed the discussion until September on a proposal made by the Pro Patria faction in parliament.

A bill of the parliamentary foreign affairs commission recommended that Estonia seek compromises with Russia in border, economic and humanitarian issues.

Vello Saatpalu, the chairman of the foreign affairs commission and a member of the Social Democratic Party, suggested on behalf of the commission that an Estonian-Russian top level meeting be arranged with the help of mediators, if necessary, to resolve the problems concerning the border and the Tartu Peace Treaty. In his words, Estonia should also consider placing the Estonian-Russian border issue under a moratorium.

Foreign Minister Juri Luik in his report assured that Estonia stands firm that Russian troops must be unconditionally withdrawn from Estonia by Aug. 31, 1994.

Russia has so far refused to set the final pullout deadline and keeps linking it to the demand that more than 10,000 retired military be allowed to remain in Estonia.

Luik maintained that the Russian military retirees' issue can be solved only in accordance with Estonian legislation. What makes finding a solution more difficult is that Russia hasn't presented a list of its military pensioners in Estonia, striving to solve the problem by the "pig-in-a-poke" method, the foreign minister noted. He said the Russian Embassy claims there are 10,500 Russian military pensioners in Estonia, while Tallinn has information their number amounts to 11,500.

Commenting on the dismantling of the nuclear reactors in Paldiski, Luik said the operation lags behind the planned schedule. He said an international monitoring group of representatives from the Council of the Baltic Sea States and the United States was set up in May, and that the group insists on prompt removal of the nuclear fuel rods from Estonia.

Luik said the linkage of nuclear reactor removal to other issues is internationally totally unacceptable.

Touching on the Estonian-Russian border dispute, the foreign minister said the key issue is Russia's unwillingness to recognize the 1920 Tarty Peace Treaty. It is extremely regrettable that Russia didn't agree to discuss the issue in the context of the European Stability Pact, known as the Balladur Plan, Luik said.

Estonian Ambassador to Russia Juri Kahn noted that the situation in Russia is at present considerably more stable than over the last few years. In his words, the power in Russia is more or less centered in President Boris Yeltsin's hands and the Western states have less leverage in influencing Russia's decisions.

The Estonian ambassador, however, predicted trouble for the autumn in Russia. He said the problems still on the agenda in Estonian-Russian relations should be resolved within the next two or three months.

The legislature suspended the discussion of Estonian-Russian relations until September. Tiit Sinissaar, the chairman of the Pro Patria faction in parliament, said the faction moved to postpone the discussion because the purpose of the bill was putting Estonian-Russian relations on the parliament's agenda and now the discussion can be resumed after the summer recess.

Endel Lippmaa, a member of the Assembly Party council, told reporters today that his party was against a provision of the bill stipulating that "solutions to problems of Estonian-Russian relations should be sought in compromises in border, economic and humanitarian issues." In Lippmaa's words, "it sounded as if Estonia were willing to make any concessions (to Russia)." Assembly Party members didn't support adoption of the bill.

Keeping Troops in Estonia 'Disadvantageous' to Russia

WS0306093694 Tallinn BNS in English 1611 GMT 2 Jun 94

[Text] Tallinn, June 02, BNS—Estonian Prime Minister Mart Laar said in an address in the parliament today that Moscow reaps no benefits from keeping 2,500 military in Estonia, on the contrary, this is seriously disadvantageous to Russia.

"It seems that meetings at the political top level are needed to make this clear," the premier said during the discussion of a bill on the relations between Estonia and Russia.

Laar assured that, in order to solve problems between the two countries, the Estonian Government has chosen a path that doesn't rule out mutually advantageous agreements and compromises but presumes that the Estonian-Russian relations are based on mutual respect and equality of rights.

Laar said the implementation of such a policy has forced the government to develop and strengthen the country's state and security institutions, work towards Estonia's economic independence from Russia, secure internal stability, and achieve as quickly as possible Estonia's integration into the Western community.

"Whereas 18 months ago the card of human rights was an ace in Russia's hand and a year ago the situation in eastern Virumaa and Narva was truly explosive, by now the human rights card has been beaten on the international arena and the power in eastern Virumaa is in the hands of entirely different principles and of local governments that support Estonian statehood," the premier claimed. "Tension has clearly been reduced in Estonia, this is what both foreign experts and local Russian organizations think."

Troop Withdrawal Accord 'Harmful' to Estonia

WS0306093294 Tallinn BNS in English 1744 GMT 2 Jun 94

[Text] Tallinn, June 02, BNS—Conclusion of a troop withdrawal agreement between Estonia and Russia would be very harmful to Estonia, Academician Endel Lippmaa, a member of the Assembly Party council, said at a press conference today.

In his words, such agreements contain reciprocal obligations which make Estonia very vulnerable.

"Since the Russian side is very reluctant to withdraw its troops, it would be a simple matter for it to accuse us of violating the stipulations of the treaty after it's been signed. There are previous instances of such stupid pacts. For example, Russia didn't delay taking advantage of the 1939 military bases pact, accusing the Baltic states of violating the agreement, and that served as a pretext for bringing in more troops," Lippmaa pointed out.

Lippmaa said "unfortunately both Foreign Minister Juri Luik and President Lennart Meri" are for concluding a troop withdrawal agreement.

Russia wants to link the troop pullout treaty to signing an agreement also on social guarantees for its military retirees. This has become the main stumbling block in relations between the two countries because the Estonian side has so far rejected Russia's demand.

In Lippmaa's words, the Assembly Party isn't optimistic about Russian troop withdrawal being completed by Aug. 31. If Russian military presence in Estonia continues in September, the country's leaders must be prepared for "two essential demarches," he said.

"We must lodge a complaint (against Russia) at the U.N. Security Council. Under the U.N. charter, a major power loses its veto right when it's the accused party. Also, Estonia must take a more active part with regard to the NATO in the context of the Partnership for Peace program. NATO has no idea how to evaluate the continued presence of Russian troops in Estonia, so it's not interested in the emergence of the need for this and wants the troops to pull out," was Lippmaa's opinion.

President of CE Parliamentary Assembly Visits

WS02[illegible]103294 Tallinn BNS in English 1605 GMT 1 Jun 94

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The visit comes at an invitation by the chairman of the Estonian parliament, Ulo Nugis, who gave a dinner in honor of the guest Tuesday evening. Present at the dinner were members of the Estonian delegation to the CE Parliamentary Assembly, Estonian MP's and ambassadors of the Council of Europe member nations to Estonia.

The Estonian parliament chairman in his speech said the country had always attached great importance to the work done under the Council of Europe framework. "We try to give the best to be worthy of our place in the common family of the organization," Nugis said.

Martinez in his speech said he was glad to state that Estonia has become a stable democratic country, which

is always welcome in the CE activities. But he also mentioned that the danger of losing the freedom it has just gained had still not ceased for Estonia.

The CE Parliamentary Assembly chairman had a meeting today with Estonian parliament Deputy Chairman Tunne Kelam, also a deputy president of the Parliamentary Assembly. He then had talks with the Estonian delegation to the assembly, with the head of the parliament's foreign affairs commission, Vello Saatpalu, Foreign Minister Juri Luik and the representative of a CSCE mission to Estonia, Carmen Schmidt.

Martinez is scheduled to meet Prime Minister Mart Laar at 6 p.m. today. He will continue the visit with a trip to the Lahemaa National Park, where parliament Deputy Chairman Tunne Kelam gives a dinner in his honor tonight.

Meetings with Tartu University Rector Peeter Tulviste and a member of the European Court of Human Rights, Uno Lohmus, in the southern city of Tartu are scheduled for Thursday. Martinez will also address a joint conference of the Tartu University Economics Department and Germany's Kiel Institute for World Economy.

Martinez is to meet Estonian President Lennart Meri and Tallinn Mayor Jaak Tamm Thursday afternoon. He is scheduled to leave Estonia in the evening.

Defense Forces Commander Submits Resignation

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Laar met on Feb. 8 with an Israeli working group led by General Dan Shomron to discuss questions of Estonia's security and defense concept and opportunities for Estonian-Israeli cooperation in defense.

"The leader of defense forces, who under the Constitution is competent with regard to national defense issues, was not informed about the meeting, its results and agreements concluded. Under the circumstances when the defense forces' chief lacks information about the premier's agreements with the Israeli TAAS company concerning national defense, the commander finds it difficult to answer for the country's defense capability and security," the information department of the Defense Forces general staff told BNS.

Einseln drew the conclusion that the prime minister doesn't trust him and "has on purpose been acting without consulting with him." Under the circumstances, Einseln considered his resignation "inevitable."

Former Defense Minister Indrek Kannik, too, has claimed that Laar's information about the Estonian-Israeli defense cooperation project is somewhat distorted.

Kannik claimed Laar maintained in a May 17 letter to Einseln that the "government has neither in my nor anyone else's person signed a cooperation project with General Shomron."

Kannik told BNS the record of Laar's Feb. 8 meeting with Shomron states that the "visitors and Mr. Laar agreed that the cooperation between Estonia and Israel may be divided into three main categories."

The former defense minister maintained one of the agreed categories concerns the establishment of a joint working group at the Estonian Interior Ministry to analyze both the military and security aspects of the Estonian defense concept.

The government press service told BNS that neither the Estonian Government nor ministries have signed any pacts or agreements without informing the Defense Forces general staff about it.

"During the visit of General Shomron to Estonia on Feb. 8-9 the Israeli party proposed to form a joint working group to promote the mapping out of Estonia's defense concept. The Estonian side found that Estonia must have priority in this issue, but expert opinions are welcome. Consultations with private companies in security issues are widespread the world over, especially in the United States," the government press release reads.

The meeting between the Estonian premier and the Israeli general found that Estonia needs more assistance with questions falling within the competence of the Interior Ministry, primarily those concerning improvement of the work of the police and the border guard, therefore "further solution of this issue" was referred to the Interior Ministry, the press service said.

"Neither the premier nor the government have addressed this question. The Israeli side informed about its views on possible cooperation the Interior and the Defense Ministries. The prime minister's office has not received information about this," the government press service told BNS.

The press service confirms that the protocol of Laar's meeting with Shomron provides for the formation of an Estonian-Israeli working group at the Interior Ministry to analyze the Estonian defense concept. Both Interior and Defense Ministry officials are expected to belong to the group.

"The parties agreed that the group will start work as soon as possible and prepare a preliminary report by end June 1994," the press service informs.

Einseln's Resignation Rejected

WS0306093594 Tallinn ETA in English 1809 GMT 2 Jun 94

["News Release"]

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Einseln's press office released a statement earlier on Thursday saying he wanted to resign in protest over being left aside by Prime Minister Mart Laar over his defence deal with Israel.

Einseln is a retired U.S. Army officer who accepted the position in defiance of U.S. administration while risking his army pension. Einseln is now in Visby attending a Baltic Sea defence seminar.

Misinformation Charged on Defense Plan With Israel

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[Text] Tallinn, June 01, BNS—Former Defense Minister Indrek Kannik today accused Prime Minister Mart Laar of giving the public, as he said, slightly distorted information about a defense cooperation plan between Estonia and Israel.

Kannik mentioned that Laar had been incorrect when denying having signed any documents about defense cooperation with Israel. The former minister quoted Laar's May 17 letter to the commander in chief of the country's defense forces, Major General Aleksander Einseln, in which the premier said the government had signed no agreement with Israeli General Dan Shomron.

But a protocol of a Feb. 8 meeting between Laar and Shomron states that "the guests and Mr. Laar agreed that cooperation between Estonia and Israel can be divided into three main categories," Kannik said today, adding that one of these three had been setting up a joint work group to review Estonia's defense concept both from the military as well as from security aspects. The work group was to be formed under the Estonian Interior Ministry.

Laar before the Feb. 8 meeting suggested the work group to be subjected to the Defense Ministry, but that proposal was turned down, Kannik said in the interview with BNS.

Estonia's POSTIMEES daily newspaper in its May 30 edition reported that Commander in Chief Aleksander Einseln was seeking clarity over allegations that the prime minister had bypassed him in steps toward a defense cooperation plan with Israel. Einseln said his suspicions were raised after an aide to Leonid Apananski, considered a key figure behind the country's major arms purchase deal from Israel, in a confidential letter informed a Central Staff officer about a May 10-12 visit to Tallinn of an Israeli delegation. The visit had been to discuss a cooperation project, started by Mart Laar and Israeli General Dan Shamron, the letter alleged.

Laar Meets With Japan Trade Delegation

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Laar at the meeting spoke at some length about the country's economic policy guidelines and explained that his government had based its steps on the principle of radical reform. He said that in order to attract someone's attention in the present-day world, one had to make steps that may not be common elsewhere.

The guests at the meeting praised Estonia's speed in proceeding on the reform path. They said the country's resolve in introducing a proportional 26-percent income tax was impressing. The discussion further focused on the situation in the sphere of foreign investments and trade between the two countries. The mission members were particularly interested in facts about the free trade treaty to be signed between Estonia and the European Union soon.

New Justice Minister Appointed

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Arumae's candidacy was put forward earlier this morning by Prime Minister Mart Laar.

Arumae, 37, is a graduate of the Faculty of Law of Tartu University. He later graduated from the Estonian Higher School of Commerce and obtained his master's degree in international business management at the University of San Francisco. After a stint as a vice president of Silves Enterprises Ltd., he established his own legal aid company, Concordia. Arumae is also president of the Estonian Lawyers Union.

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Finally at the meeting, Soros asked the Estonian leader about the country's economic development and its prospects, the government press office reports. He asked if Estonia's current "progressive" government didn't fear a possible setback with the possibility that former Communists might return to power.

Laar in his answer said that Estonia had already crossed that critical stage when the former Communist party "nomenklatura" could be elected to power. But he didn't rule out possible success of a more leftist and less radical way of thinking.

Soros at a separate press conference in Tallinn later in the day focused on the activity of the Open Estonia Foundation, set up to channel Soros' money for charity and assistance projects in Estonia. The Open Estonia Foundation projects together with financial assistance coming through Soros International Science Foundation amount to more than three million dollars in Soros' support for Estonia this year.

Soros declined to give a detailed assessment of the political developments in the three Baltic countries. But while commenting on some critical remarks he had made at a meeting with Latvian President Guntis Ulmanis on the country's citizenship law, he today said he was glad to find Estonia's citizenship law much more liberal.

The billionaire investor said it was clear that Latvia during the era of Soviet rule had suffered much, had "undergone nearly genocide." But he spoke up against leaving any groups of the country's population without many essential rights as means of retaliation.

He called on the Baltics not to allow the notion of whatever nation being collectively guilty for some misdoings—a notion which he stressed was absolutely wrong—to have an influence on their decisions.

George Soros was born in Budapest on Aug. 12, 1930, but emigrated to Britain in 1947. Lives in New York since 1956. He is currently the president of Soros Fund Management and main adviser for Quantum Fund over investments. His humanitarian project support funds operate in 21 Central and East European countries, as well as one in South Africa.

Latvia

Economic Accords Likely at Conclusion of Russian Talks

LD0206190094 Riga Radio Riga Network in Latvian 1700 GMT 2 Jun 94

[Text] Aivars Vovers, under-secretary of state for Eastern Affairs at the foreign ministry, and leader of the Latvian group of experts at the upcoming joint talks with Russia, said today a group of experts from Latvia and Russia will have ten agreements on mutual economic cooperation ready for signing. The experts have mainly worked in preparation for the visit of Russian Prime Minister Chernomyrdin to Latvia, scheduled for late June. It is possible that the two countries' leaders will sign the prepared agreements on Latvian-Russian cooperation in transportation, on mutual protection of capital investments, on handing over to Russian ownership of the Amber Coast sanatorium, and on cooperation in the protection of industrial property. The experts are coordinating the text of a declaration on the trends in and prospects for the two countries' economic cooperation. During Chernomyrdin's visit they will also discuss questions relating to the two countries' prospective cooperation in educational, cultural and information areas. In addition, the leaders might discuss the issue of the construction of an international gas pipeline through Latvia.

Russia's Most Favored Trade Agreement Temporary

WS0306090494 Tallinn BNS in English 1744 GMT 2 Jun 94

[Text] Riga, Jun 2, BNS—The most favored nation regime, Russia reportedly introduced in trade with Latvia on June 1, is a temporary development since Russia reserves the right to cancel it any moment it wants to, Aivars Vovers, Latvian Foreign Ministry deputy state secretary, told BNS Thursday.

The Russian Foreign Ministry informed the Latvian Embassy in Moscow about the decision by a note, handed in on May 30.

The agreement on the most favored nation status between Latvia and Russia is a positive factor for increasing the competitiveness of Latvian products, officials said Wednesday.

The motion will increase the mutual goods turnover between both countries. Export of goods to Russia was very disadvantageous to Latvia after March 15 when Russia raised import tariffs on a series of products.

Russia is still the largest Latvian trade partner. Export of Latvian goods to Russia comprises 30 percent of its total export.

Russia also expressed a hope in the note that Latvia will ratify the signed agreements on the Russian troop withdrawal and the social rights of Russian military retirees and their families in the near future, the Latvian Foreign Ministry reported.

Daugavpils Council Protests to Russian Army

LD0206181294 Riga Radio Riga Network in Latvian 1700 GMT 2 Jun 94

[Text] The Daugavpils [town] council has presented a protest to the command of the Northwestern Group of Forces of the Russian Army concerning the fact that it is not observing the schedule agreed for the withdrawal of the army from the town and the provision of residences belonging to the special municipal services of the town, who cannot take over the unsupervised conditions and the ransacked apartments, depots, and storehouses. Restoration work is, in practice, carried out by workers paid by the municipal housing administration, but compensation for them has not reached the town, nor does it intend to place the burden of the expense on the people of Daugavpils.

Russia To Be Paid $23 Million for Natural Gas

WS0206142494 Tallinn BNS in English 1312 GMT 2 Jun 94

[Text] Riga, Jun 2, BNS—The Latvijas Gaze (Latvian Gas) enterprise is expected to cover its 23-million-U.S.-dollar debt to the Russian Gazprom gas consortium Thursday, Latvijas Gaze President Girts Stalbovics told reporters.

The money comes from the Japanese Import and Fxport Bank credit, which is guaranteed by the Latvian Government.

Latvijas Gaze owed Gazprom 29.2 million dollars on May 27 for supplied gas. Latvijas Gze must also pay Russia 2.5 million dollars in fines for delayed payment.

Russia has pumped 32 million cubic meters of gas into the Incukalns container by May 27, Stalbovics noted.

Latvia Seeks To Acquire Abrene Territory From Russia

LD0106194794 Riga Radio Riga Network in Latvian 1700 GMT 1 Jun 94

[Text] Latvia would like to see the territory of Abrene as part of Latvia, as decreed in the Latvian-Russian peace treaty of 1920. This was stated at a press conference today devoted to Latvia's participation in the Balladur, or European stability, pact, by the acting foreign minister, Justice Minister Egils Levits. The Estonian and Latvian delegations to the conference in Paris on the inauguration of the pact presented a joint document on the border question, declaring that the state borders of Europe are based on internationally recognized and binding treaties. As is known, part of the Abrene district, an area of 1,260 square km, was apportioned to Russia in August 1944. Nine Eastern and Central European countries, which wish to join the European Union, have created discussion forums, namely the Baltic Table and the Central European Table, at which the other interested countries and the European Union will take part. The Baltic Table will be attended by the Baltic countries, perhaps also Sweden, Denmark, Norway, and the United States.

Russia will specify issues to be reviewed and will only then decide on partciipation at the Baltic Table.

Free Trade Agreement With EU Effective Jan 1995

LD0206141094 Moscow INTERFAX in English 1101 GMT 2 Jun 94

[Text] The agreements on free trade between Latvia and the European Union (work on the text of this agreement was concluded on Wednesday in Brussels) is to go into effect January 1, 1995. Latvia's State Minister on Foreign Trade Olgerts Pavlovskis who reported this at a press conference in Riga Wednesday also pointed out that the republic has become the first Baltic state which is ready to initial the document.

All Baltic states started the negotiations on the conclusion of this agreement late February.

In Pavlovskis' words, the document can be initialled on June 20 and then it is to be ratified by the Latvian parliament.

In accordance with the agreement, no customs tariffs will be imposed on Latvian goods imported to the Western European countries. As he said, this regime is valid only for 40% of Latvia's total foreign trade. However, it does not touch upon agricultural products and textile, Latvia's major export goods.

Pavlovskis indicated that the agreement has both economic and political significance because it is a good gesture on the part of the Western European countries which view Latvia as an integral partner.

Deputies Comment on Foreign Minister's Confidence Vote

WS0206120294 Tallinn BNS in English 1823 GMT 1 Jun 94

[Text] Riga, Jun 01, BNS—The Latvian National Independence Movement faction refuses to participate in the expression of confidence or no confidence to Foreign Minister Georgs Andrejevs, faction head Alexander Kirsteins told reporters Wednesday. The faction believes

that Andrejevs cannot occupy the ministerial post after having confessed to ties with the notorious Soviet security police, KGB.

Kirsteins also approached the issue from the ethical viewpoint saying that Andrejevs cheated the parliament since deputy candidates vowed non-collaboration with foreign security structures before the 5th Saeima [parliament] elections.

The Homeland and Freedom faction will give a vote of no confidence to Andrejevs because he formally violated the election law, its head Maris Grinblats said. Grinblats, however, praised Andrejevs for his confession and said that Andrejevs may be telling the truth when he claims his KGB ties were limited.

The Equality of Rights faction will also vote to express no confidence to Andrejevs because his infringement of the election law could become a precedent for further irregularities, said faction Deputy Chairwoman Larisa Lavina.

The Political Association of Economists deputies oppose the consideration of the issue before the decision of the court on Andrejevs KGB ties. The faction also considers that Andrejevs fitness to the post is in the government competence.

The Democratic Party faction approved free vote on the issue, said its member Alfreds Cepanis.

Foreign Minister To Continue Duties

LD0206175294 Riga Radio Riga Network in Latvian 1700 GMT 2 Jun 94

[Text] Prime Minister Birkavs has decided on Georgs Andrejevs' continuation in the post of Foreign Minister. Birkavs's decision was only disclosed on Monday, after the session of the Latvian Way faction, in which the faction's deputies questioned Andrejevs himself, Birkavs told journalists. It is possible that the issue of confidence in Andrejevs will not after all be brought up in the Saeima. The confidence vote was proposed by Andrejevs himself in an open letter published in DIENA, in which there was an admission of his collaboration with the State Security Committee of the former USSR.

Parliament Confirms Mandate of Imprisoned Rubiks

LD0206140694 Moscow INTERFAX in English 1101 GMT 2 Jun 94

[Text] On Thursday without any debate the Latvian Saeimas confirmed the deputy mandate of the former first secretary of the Central Committee of the Latvian Communist Party Alfreds Rubiks. As many as 42 deputies, including the majority of the representatives of the ruling faction, Latvian Put, voted for this decision, 11 against, and 17 abstained from voting. There are 100 deputies in the Latvian Saeimas.

Deputy Chairman of the Latvian Put Indulis Berzins declared to INTERFAX that the faction recognized that the parliament's refusal to confirm Rubiks' mandate on the first day of Saeimas' work contradicts the law.

The trial of Rubiks' case who is accused of an attempted conspiracy with the aim to seize power in January and August 1991 was started on June 14, 1992. Rubiks was arrested after the failure of the August coup of 1991 in Moscow in his working Cabinet.

Rubiks, who was elected as a deputy of the new Latvian parliament did not have his mandate confirmed at the first sitting of the Saeimas on July 6, 1993.

Representatives of the faction Ravnopravie (Equality) to which Rubiks belongs have repeatedly declared that this decision contradicts Latvia's Constitution. The Constitution stipulates that the mandate of a deputy can be suspended only in case of his death, voluntarily refusal from his mandate, or a decision of the court stating that the deputy committed a crime.

Jobless Rate of 6.6 Percent Reported

WS0206102794 Tallinn BNS in English 1340 GMT 1 Jun 94

[Text] Riga, Jun 01, BNS—As many as 101,298 people, or 6.6 percent of the economically active Latvian residents, were looking for jobs on May 31, according to figures from the State Statistics Committee. From those, 87,792 have registered themselves as unemployed; 34,520 receive allowances; 32,731 are long-term unemployed.

As reported, the number of job seakers was 102,200 on May 3.

State employment service spokeswoman Ilga Upeniece told BNS that the decreasing number of unemployed could be explained with the beginning of summer. She prognosticated that the figure would be up again in autumn.

Riga Local Election Results Confirmed

LD0206203594 Riga Radio Riga Network in Latvian 1900 GMT 2 Jun 94

[Text] This evening the Riga City Electoral Commission confirmed the results of the election to Riga Council, according to which the majority of seats, 22, went to the joint Latvian National Independence Movement and Green Party list. In Riga, 153,000 electors voted from an eligibility list of 331,000 voters.

Lithuania

Brazauskas Calls for More Western Aid to Ukraine

LD0206195994 Moscow INTERFAX in English 1635 GMT 2 Jun 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Lithuanian President Algirdas Brazauskas and Europarliament President Egon Klepsch so no reasons why an associative treaty could not be concluded between Lithuania and the European Union, the Lithuanian president's foreign policy adviser Petras Vaitekunas told Interfax.

Vaitekunas said that Brazauskas had again complained that Russia had not honored the trade and economic agreement signed last November. By doing so, Brazauskas told Klepsch, Russia tried to make it more compliant in other areas. (IF Note: In particular, Russia wants free transit to the Kaliningrad Region across Lithuania).

Klepsch expressed satisfaction over the fact that the relations between Lithuania and Russia had been largely settled and added that Europe would welcome positive results of talks on the outstanding bilateral issues.

Speaking of Lithuania's efforts to strengthen the contacts between the Baltic countries and the Visegrad group, Brazauskas called for more tangible western aid to the Ukrainian economy.

He said that early admission of Latvia to the Council of Europe would contribute to security in the Baltics.

EU President Ends Visit, Holds News Conference

WS0306093794 Tallinn BNS in English 1611 GMT 02 Jun 94

[Text] Vilnius, Jun 02, BNS—The European Parliament fully supports Lithuania in its efforts to become an associate member of the European Union, the president of the European Union [EU], Egon Klepsch, said at a press conference in Vilnius Thursday. The press conference completed Klepsch's official three-day visit to Lithuania.

Klepsch said the time is right for Lithuania and the EU to make "resolute decisions" on associate membership. In his words, Lithuania's economic progress gives hope that nothing will hinder the process.

The European Parliament president once again emphasized that he is pleased with the successful implementation of the troop withdrawal agreement between Lithuania and Russia.

This proves, he said, that Lithuania has the ability "to combine common interests" and can become a peace mediator in the Baltic Sea region. Such a role is also predetermined by Lithuania's geographical location, he said.

Klepsch expressed hope that the Lithuanian-Russian agreement on the most favored nation trade status will soon come into effect. He also praised the Lithuanian municipal elections law, which was adopted Tuesday. Klepsch said the law meets Western requirements.

Commenting on his visit to Lithuania, Klepsch said he obtained much information about different political forces, discussed Lithuania's relations with the European Parliament and cooperation between the three Baltic states.

Department To Represent Vilnius at NATO Formed

LD0206151494 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 2 Jun 94

[Text] A Lithuanian bureau for contacts with NATO was established at NATO headquarters today. The press attache of the Lithuanian Ministry of National Defense announced that National Defense Minister Linas Linkevicius was taking part today in a seminar of the Northern and Baltic states. The seminar is entitled Russia.

Also attending today's seminar are the defense ministers of Finland, Sweden, Norway, Denmark, Estonia, and Latvia. Among the key issues under discussion: security of the Baltic region, assistance by the Northern countries to the Baltic states, relations with Russia, the defense system of the Baltic states, and cooperation in forming the Baltic peacekeeping battalion.

Premier To Announce Government Resignation 'Next Week'

LD0206181494 Moscow INTERFAX in English 1630 GMT 2 Jun 94

[Text] Lithuanian Prime Minister Adolfas Slezevicius will announce his government's resignation at a session of the Seimas (republican parliament) next week, he said in the answer to an Interfax question at a news conference in Vilnius Thursday.

This procedure is defined by the Lithuanian Constitution. Under it, the parliament is to confirm the government's powers if more than a half of its composition has been reshuffled. Otherwise, the government must resign.

This situation emerged following the need to introduce three new ministers whose offices would be set up in accordance with a law on government passed by the Seimas.

If Lithuanian President Algirdas Brazauskas asks Slezevicius to form a new government again, the present composition will remain as it is and only the three new

ministers will be added. Slezevicius is the chairman of the majority Democratic Labor Party in the parliament.

This government which has been in power for less than 1.5 years is the sixth since Lithuania regained independence in March 1990. Over this period, Lithuania has achieved a number of positive changes such as stabilizing the economy, lower inflation and higher standard of living.

Finance Ministry Hopes VAT To Balance Budget

LD0206123094 Vilnius Radio Vilnius Network in Lithuanian 1100 GMT 2 Jun 94

[Text] In the first four months of this year the state budget failed to receive about 300 million litas of planned revenue. This was announced at a news conference today by Bagaciunas, head of a branch at the Ministry of Finance's budget department. The news conference was also attended by Feliksas Kolosauskas, chairman of the Seimas budget and finance committee, .

It is known that the approved national budget for this year totals 4.3 billion litas. Attempts are being made to compensate the deficit by borrowing from other funds and structures. Among others, the head of the budget branch mentioned the state privatization fund. The government is borrowing from the commercial banks in Lithuania, too. The Ministry of Finance has taken a short term loan of 15 million litas at a 60 percent annual interest. According to Bagaciunas, an agreement was signed recently on a short-term loan of 20 million litas.

Because of this deficit, planned expenditure must be limited in the budget, too: wages, pensions, and grants. According to Bagaciunas, there will be spheres of priority to which the budget funds will be directed first of all.

The branch chief at the ministry's budget department is pinning hopes on Value Added Tax [VAT]. With the help of this tax, the Ministry of Finance expects to obtain about 150 million litas this year.

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